File No. <u>150646</u>	Committee Item No. <u>3</u>
•	Board Item No.

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee:	Land Use & Transportati	<u>on</u>	Date <u>SEPT 14, 2015</u>
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Completed Completed	by: Andrea Ausberry by:	Date <u>SEPT</u>	10, 2015

AMENDED IN COMMITTEE 7/27/2015 ORDINANCE NO.

FILE NO. 150646

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[Administrative Code - Amendments to Residential Rent Stabilization and Arbitration Ordinance]

Ordinance amending the Administrative Code to: 1) prohibit, with certain exceptions, rent increases based on the addition of occupants even where a pre-existing rental agreement or lease permits such an increase; 2) prevent evictions based on the addition of occupants if the landlord has unreasonably refused the tenant's written request, including a refusal based on the amount of occupants allowed by the rental agreement or lease; 3) require landlords, after certain vacancies, to set the new base rent as the lawful rent in effect at the time of the vacancy; 4) require that there be a substantial violation of a lawful obligation or covenant of tenancy as a basis for the recovery of possession; 5) require a landlord, prior to seeking recovery of possession, to provide tenants an opportunity to cure the unauthorized addition of the tenant's family members to the tenant's unit; 6) prevent a landlord from seeking recovery of possession solely because the tenant is occupying a unit not authorized for residency; 7) require landlords to state in notices to vacate for certain good cause evictions the lawful rent for the unit at the time the notice is served; 8) require the Rent Board to prepare a form in English, Chinese, Spanish, Vietnamese, Tagalog, and Russian stating that a notice to vacate may lead to a lawsuit to evict and stating that advice regarding notices to vacate is available from the Rent Board; 9) require landlords to attach a copy of the Rent Board form in the primary language of the tenant to each notice to vacate; and 10) require landlords to plead and prove in any action to recover possession that at least one of the grounds of Administrative Code, Section 37.9(a)-(b) stated in the notice to vacate is the dominant motive for recovering possession.

NOTE: Unchanged Code text and uncodified text are in plain Arial font.

Additions to Codes are in single-underline italics Times New Roman font.

Deletions to Codes are in strikethrough italics Times New Roman font.

Board amendment additions are in double-underlined Arial font.

Board amendment deletions are in strikethrough Arial font.

Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Findings

The Board of Supervisors hereby finds that:

- (a) Evictions are increasing across San Francisco. The Rent Board's annual reports on evictions to this Board of Supervisors for 2010 through 2015 show the number of eviction notices issued to rent controlled tenants and reported to the Rent Board has increased each year. Over that five-year reporting period, evictions reported to the Rent Board have increased by 67%.
- (b) The rise in efforts to evict tenants coincides with a rise in market rents. Market rents have increased at a pace exceeding the ability of most San Franciscans to pay. In its July 2015 Economic Impact Analysis Report, "General Obligation Bond for Affordable Housing," the Controller's Office of Economic Analysis reported that "many tenants face high rent burdens, which have increased rapidly in recent years." The Mayor's 2015 "\$310 Million Affordable Housing General Obligation Bond Report" shows that, as of July 2015 the average market rent for a one-bedroom apartment in San Francisco is reported to be \$3495 per month approximately 60% of the median gross monthly income of a single person in San Francisco.
- (c) Rising rates of evictions and rents are forcing thousands of lower and even middle income households to move out of San Francisco. According to the July 2015 Economic

Impact Analysis Report, 12.3% of low income households and 5.9% of moderate and higher income households are now moving out of San Francisco every year. The involuntary displacement of residents adversely impacts San Francisco's collective economic vitality, diversity, and social and cultural well-being. The individual impacts of evictions and displacement from established community relationships and institutions can result in substantial adverse impacts on the health of seniors and vulnerable populations including but not limited to residents with limited English language skills.

- (d) Rising rents combined with rules restricting the number of occupants in housing also impose a substantial burden on tenants and their right to associate, cohabitate, and live with partners or relatives of their choosing. For example, a landlord imposed rule that limit occupancy to no more than one person per bedroom empowers the landlord to intrude into the privacy of a tenant's bedroom. When such restrictive rules are enforced with the threat of evictions, tenants are forced to choose to live alone or to leave San Francisco in search of an alternative place to live with friends, relatives, or unmarried partners.
- (e) Therefore, there is a significant public interest in assuring that tenants are not evicted from their rental units without substantial and reasonable cause including the right to live with roommates and or close relations of a tenant's choosing subject to reasonable and articulable standards as established by the landlord.
- (f) This ordinance will enable tenants to stay in their homes to maintain a committed relationship with another person or personal associations. And by doing so, will relieve the burden on some residents to find affordable rental space in San Francisco. It also permits a landlord to reject a request for a roommate for good reason, and to petition the Rent Board to increase the rent to compensate the landlord for any costs incurred as a result of the additional occupancy.

For the aforestated reasons, the Board of Supervisors enacts these amendments to Sections 37.3(a)(1)(11) and 37.9(a)(2)(C) of the Administrative Code.

Section 2. The Administrative Code is hereby amended by revising Sections 37.3, 37.9, and 37.9A, to read as follows:

SEC. 37.3. RENT LIMITATIONS.

- (a) Rent Increase Limitations for Tenants in Occupancy. Landlords may impose rent increases upon tenants in occupancy only as provided below and as provided by Subsection 37.3(d):
- (1) Annual Rent Increase. On March 1st of each year, the Board shall publish the increase in the CPI for the preceding 12 months, as made available by the U.S. Department of Labor. A landlord may impose annually a rent increase which does not exceed a tenant's base rent by more than 60 percent of said published increase. In no event, however, shall the allowable annual increase be greater than seven percent.

(11) Additional occupants.

- (A) Except as provided in Section 37.3(a)(11)(B), a landlord may not impose increases solely because a tenant has added an additional occupant to an existing tenancy, including, but not limited to, a newborn child or family member as defined in Section 401 of the Housing Code. The prohibition on increases mandated by this Subsection (A) shall apply notwithstanding a rental agreement or lease that specifically permits a rent increase for additional occupants.
- (B) A landlord may petition the Board for a rent increase pursuant to Section 37.3(a)(8) for costs associated with the addition of occupants authorized under Section 37.9(a)(2)(C).

tenant was paying and the monthly rent paid by the program to the landlord on behalf of the tenant
when the landlord gave notice to the tenant, and provide a copy of the notice to the Board to the tenant.

* * * *

SEC. 37.9. EVICTIONS.

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

- (a) A landlord shall not endeavor to recover possession of a rental unit unless:
- (1) The tenant:
- (A) Has failed to pay the rent to which the landlord is lawfully entitled under the oral or written agreement between the tenant and landlord:
- (i) Except that a tenant's nonpayment of a charge prohibited by Section 919.1 of the Police Code shall not constitute a failure to pay rent; and
- (ii) Except that, commencing August 10, 2001, to and including February 10, 2003, a landlord shall not endeavor to recover or recover possession of a rental unit for failure of a tenant to pay that portion of rent attributable to a capital improvement passthrough certified pursuant to a decision issued after April 10, 2000, where the capital improvement passthrough petition was filed prior to August 10, 2001, and a landlord shall not impose any late fee(s) upon the tenant for such non-payment of capital improvements costs; or
 - (B) Habitually pays the rent late; or
- (C) Gives checks which are frequently returned because there are insufficient funds in the checking account; or
- (2) The tenant has violated a lawful obligation or covenant of tenancy other than the obligation to surrender possession upon proper notice or other than an obligation to pay a

charge prohibited by Police Code Section 919.1, *the violation was substantial*, and *the tenant* fails failure to cure such violation after having received written notice thereof from the landlord.

- (A) Provided that notwithstanding any lease provision to the contrary, a landlord shall not endeavor to recover possession of a rental unit as a result of subletting of the rental unit by the tenant if the landlord has unreasonably withheld the right to sublet following a written request by the tenant, so long as the tenant continues to reside in the rental unit and the sublet constitutes a one-for-one replacement of the departing tenant(s). If the landlord fails to respond to the tenant in writing with a description of the reasons for the denial of the request within fourteen (14) days of receipt of the tenant's written request, the tenant's request shall be deemed approved by the landlord.
- (B) Provided further that where a rental agreement or lease provision limits the number of occupants or limits or prohibits subletting or assignment, a landlord shall not endeavor to recover possession of a rental unit as a result of the addition to the unit of a tenant's child, parent, grandchild, grandparent, brother or sister, or the spouse or domestic partner (as defined in Administrative Code Sections 62.1 through 62.8) of such relatives, or as a result of the addition of the spouse or domestic partner of a tenant, so long as the maximum number of occupants stated in Section 37.9(a)(2)(B)(i) and (ii) is not exceeded, if the landlord has unreasonably refused a written request by the tenant to add such occupant(s) to the unit. If the landlord fails to respond to the tenant in writing with a description of the reasons for the denial of the request within fourteen (14) days of receipt of the tenant's written request, the tenant's request shall be deemed approved by the landlord. A landlord's reasonable refusal of the tenant's written request may not be based on the proposed additional occupant's lack of creditworthiness, if that person will not be legally obligated to pay some or all of the rent to the landlord. A landlord's reasonable refusal of the tenant's written request may be based on, but

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is not limited to, the ground that the total number of occupants in a unit exceeds (or with the proposed additional occupant(s) would exceed) the lesser of (i) or (ii):

- (i) Two persons in a studio unit, three persons in a one-bedroom unit, four persons in a two-bedroom unit, six persons in a three-bedroom unit, or eight persons in a four-bedroom unit; or
- (ii) The maximum number permitted in the unit under state law and/or other local codes such as the Building, Fire, Housing and Planning Codes. *or*
- (C) Provided further that where a rental agreement or lease provision limits the number of occupants or limits or prohibits subletting or assignment, a landlord shall not endeavor to recover possession of a rental unit as a result of the addition by the tenant of additional occupants to the rental unit, so long as the maximum number of occupants does not exceed the lesser of the amounts allowed by Subsection (i) or Subsection (ii) of this Section 37.9(a)(2)(C), if the landlord has unreasonably refused a written request by the tenant to add such occupant(s) to the unit. If the landlord fails to respond to the tenant in writing with a description of the reasons for the denial of the request within 14 days of receipt of the tenant's written request, the tenant's request shall be deemed approved by the landlord. A landlord's reasonable refusal of the tenant's written request may not be based on either of the following: (1) the proposed additional occupant's lack of creditworthiness, if that person will not be legally obligated to pay some or all of the rent to the landlord, or (2) the number of occupants allowed by the rental agreement or lease. With the exception of the restrictions stated in the preceding sentence, a landlord's reasonable refusal of the tenant's written request may be based on, but is not limited to, the ground that the landlord resides in the same unit as the tenant or the ground that the total number of occupants in a unit exceeds (or with the proposed additional occupant(s) would exceed) the lesser of (i) or (ii):
- (i) Two persons in a studio unit, three persons in a one-bedroom unit, four persons in a two-bedroom unit, six persons in a three-bedroom unit, or eight persons in a four-bedroom unit; or,

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days written notice to the tenant; or, <u>(b) because the illegal use is the residential occupancy of a unit</u> not authorized for residential occupancy by the City.

* * * *

(c) A landlord shall not endeavor to recover possession of a rental unit unless at least one of the grounds enumerated in Section 37.9(a) or (b) above is (1) the landlord's dominant motive for recovering possession and (2) unless the landlord informs the tenant in writing on or before the date upon which notice to vacate is given of the grounds under which possession is sought, and for notices to vacate under Sections 37.9(a)(8), (9), (10), (11), and (14), state in the notice to vacate the lawful rent for the unit at the time the notice is issued and that advice regarding the notice to vacate is available from the Residential Rent Stabilization and Arbitration Board, before endeavoring to recover possession. The Board shall prepare a written form that states that a tenant's failure to timely act in response to a notice to vacate may result in a lawsuit by the landlord to evict the tenant and advice regarding the notice to vacate is available from the Board. The Board shall prepare the form in English, Chinese, Spanish, Vietnamese, Tagalog, and Russian and make the form available to the public on its website and in its office. A landlord shall attach a copy of the form that is in the primary language of the tenant to a notice to vacate before serving the notice, except that if the tenant's primary language is not English, Chinese, Spanish, Vietnamese, Tagalog or Russian, the landlord shall attach a copy of the form that is in English to the notice. A copy of all notices to vacate except three-day notices to vacate or pay rent and a copy of any additional written documents informing the tenant of the grounds under which possession is sought shall be filed with the Board within 10 days following service of the notice to vacate. The District Attorney shall determine whether the units set forth on the list compiled in accordance with Section 37.6(k) are still being occupied by the tenant who succeeded the tenant upon whom the notice was served. In cases where the District Attorney determines that Section 37.9(a)(8) has been violated, the District Attorney shall take whatever action he deems appropriate

under this Chapter or under State law. <u>In any action to recover possession of the rental unit under Section 37.9</u>, the landlord must plead and prove that at least one of the grounds enumerated in Section 37.9(a) or (b) and also stated in the notice to vacate is the dominant motive for recovering possession.

Tenants may rebut the allegation that any of the grounds stated in the notice to vacate is the dominant motive.

* * * *

SEC. 37.9A. TENANT RIGHTS IN CERTAIN DISPLACEMENTS UNDER SECTION 37.9(a)(13).

This Section 37.9A applies to certain tenant displacements under Section 37.9(a)(13), as specified.

* * * *

- (f) Notice to Rent Board; Recordation of Notice; Effective Date of Withdrawal.
- (1) Any owner who intends to withdraw from rent or lease any rental unit shall notify the Rent Board in writing of said intention. Said notice shall contain statements, under penalty of perjury, providing information on the number of residential units, the address or location of those units, the name or names of the tenants or lessees of the units, and the rent applicable to each residential rental unit. Said notice shall be signed by all owners of record of the property under penalty of perjury and shall include a certification that actions have been initiated as required by law to terminate existing tenancies through service of a notice of termination of tenancy. The notice must be served by certified mail or any other manner authorized by law prior to delivery to the Rent Board of the notice of intent to withdraw the rental units. Information respecting the name or names of the tenants, the rent applicable to any unit, or the total number of units, is confidential and shall be treated as confidential information by the City for purposes of the Information Practices Act of 1977, as contained in

Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code. The City shall, to the extent required by the preceding sentence, be considered an "agency," as defined by Subdivision (b) of Section 1798.3 of the Civil Code.

- (5) Within 15 days of delivery of a Subsection (f)(1) notice of intent to the Rent Board, the owner shall provide notice to any tenant or lessee to be displaced of the following:
 - (A) That the Rent Board has been notified pursuant to Subsection (f)(1);
- (B) That the notice to the Rent Board specified the name and the amount of rent paid by the tenant or lessee as an occupant of the rental unit;
 - (C) The amount of rent the owner specified in the notice to the Rent Board;
- (D) The tenant's or lessee's rights to reoccupancy <u>under Section 37.9A(c) if the</u> <u>rental unit is again offered for rent or lease by a current or future owner</u> and to relocation assistance under Subsections 37.9A(c) and (e); and
- (E) The rights of qualified elderly or disabled tenants as described under Subsection (f)(4), to extend their tenancy to one year after the date of delivery to the Rent Board of the Subsection (f)(1) notice of intent to withdraw.

* * * *

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

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Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

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

By: Robert A. Bryan

Deputy City Attorney

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AMENDED LEGISLATIVE DIGEST

(7/27/2015 - Amended in Committee)

[Administrative Code - Amendments to Residential Rent Stabilization and Arbitration Ordinance]

Ordinance amending the Administrative Code to: 1) prohibit, with certain exceptions, rent increases based on the addition of occupants even where a pre-existing rental agreement or lease permits such an increase; 2) prevent evictions based on the addition of occupants if the landlord has unreasonably refused the tenant's written request, including a refusal based on the amount of occupants allowed by the rental agreement or lease; 3) require landlords, after certain vacancies, to set the new base rent as the lawful rent in effect at the time of the vacancy; 4) require that there be a substantial violation of a lawful obligation or covenant of tenancy as a basis for the recovery of possession; 5) require a landlord, prior to seeking recovery of possession, to provide tenants an opportunity to cure the unauthorized addition of the tenant's family members to the tenant's unit; 6) prevent a landlord from seeking recovery of possession solely because the tenant is occupying a unit not authorized for residency; 7) require landlords to state in notices to vacate for certain good cause evictions the lawful rent for the unit at the time the notice is served; 8) require the Rent Board to prepare a form in English, Chinese, Spanish, Vietnamese, Tagalog, and Russian stating that a notice to vacate may lead to a lawsuit to evict and stating that advice regarding notices to vacate is available from the Rent Board; 9) require landlords to attach a copy of the Rent Board form in the primary language of the tenant to each notice to vacate; and 10) require landlords to plead and prove in any action to recover possession that at least one of the grounds of Administrative Code, Section 37.9(a)-(b) stated in the notice to vacate is the dominant motive for recovering possession.

Existing Law

The City's Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative Code, the "Rent Ordinance") applies to most rental housing built before June 1979. In general, the Rent Ordinance limits annual rent increases, and requires specified good cause for evictions. The Rent Ordinance established the Residential Rent Stabilization and Arbitration Board (the "Rent Board") to safeguard tenants from excessive rent increases and assure landlords fair and adequate rents. Section 37.9 of the Rent Ordinance lists the good cause grounds for eviction and Section 37.3 of the Rent Ordinance states the conditions for which a landlord may seek a rent increase and the process for obtaining the increase.

Section 37.9(a) and (b) lists approximately 15 good cause grounds for evicting tenants. Section 37.9(a)(2) allows a landlord to recover possession if the tenant has violated a lawful obligation or covenant of tenancy and failed to cure the violation after receiving a notice to

cure from the landlord. However, Section 37.9(a)(2) essentially prohibits evictions based on increased occupancy (with a limited exception) where the additional occupants consists of certain family members of the tenant. Eviction is prohibited even where a rental agreement or lease otherwise limits the number of occupants, or limits or prohibits subletting. A tenant's written request to the landlord to add occupant(s) is deemed approved if the landlord fails to respond in writing within 14 days. The landlord may not refuse an additional occupant based on that person's creditworthiness if that person would not be legally obligated to pay any rent to the landlord. But the landlord may refuse the additional occupant(s) if the total number of occupants in the unit would exceed the lesser of: (1) two persons in a studio unit, three persons in a one-bedroom unit, four persons in a two-bedroom unit, six persons in a three-bedroom unit, or eight persons in a four bedroom-unit, or (2) the maximum number of persons allowed in a unit under state or local law.

Additional good cause grounds include Section 37.9(a)(3) and 37.9(a)(4). Section 37.9(a)(3) allows a landlord to recover possession when the tenant is committing or permitting to exist a nuisance in, or is causing substantial damage to, the rental unit, or is creating a substantial interference with the comfort, safety or enjoyment of the landlord or other tenant, and the landlord so informs the tenant in writing on or before serving a notice to vacate. Section 37.9(a)(4) allows a landlord to recover possession if the tenant is using the premises for illegal purposes, but the landlord may not recover possession solely because the tenant has committed the tenant's first violation of Chapter 41A (Residential Unit Conversion and Demolition) if that violation has been cured within 30 days written notice to the tenant.

Section 37.9(c) requires that a landlord not seek to recover possession of a rental unit unless one of the basis for recovery provided in Sections 37.9(a) or (b) is the landlord's dominant motive for recovering possession.

Amendments to Current Law

The proposed ordinance would amend Section 37.3(a)(11) to prohibit rent increases based solely on the addition of an occupant to an existing tenancy. Such rent increases would be prohibited even where a pre-existing rental agreement or lease permits a rent increase. However, a landlord would be able to petition the Rent Board for a rent increase based on increased costs associated with the addition of occupants. Furthermore, the proposed legislation would not limit rent increases permitted by the state Costa-Hawkins Rental Housing Act (California Civil Code §§1954.50 *et seg.*).

The proposed ordinance amends Section 37.9(a)(2) to prohibit evictions based on additional occupants with tenancies greater than 29 days. A tenant who wishes to add an occupant would first have to make a written request to the landlord. The landlord could not refuse the request on the basis that the rental agreement or lease limits the number of occupants or

prohibits subletting, or that the proposed occupant is not creditworthy, if that person would not be legally obligated to pay any rent to the landlord. The landlord could not unreasonably refuse the tenant's request. A reasonable basis for refusing the request includes, but is not limited to, the total number of occupants in the unit exceeding the lesser of: (1) two persons in a studio unit, three persons in a one-bedroom unit, four persons in a two-bedroom unit, six persons in a three-bedroom unit, or eight persons in a four bedroom-unit, or (2) the maximum number of persons allowed in the unit under state or local law. If the landlord does not respond to the tenant's request in 14 days, the request would be deemed approved.

The proposed ordinance amends Section 37.3 to include the Costa-Hawkins Vacancy Control of the California Civil Code Section 1954.53(a)(1) by adding subsection (f) to Section 37.3 to require that the initial base rent for a subsequent tenancy be no greater than the lawful rent in effect at the time the preceding tenancy ended, if any of the following is true: (1) the preceding tenancy was terminated by a notice of termination issued under California Civil Code Section 1946.1 (for a tenancy for an unspecified term) stating the grounds for recovery of possession under Sections 37.9(a)(8),(9), (10), (11), or (14); (2) the preceding tenancy was terminated by a change in terms of the tenancy noticed under California Civil Code Section 827 (for a tenancy with a term that is month to month or shorter); or (3) where the landlord terminated or did not renew a contract or recorded agreement with a governmental agency that provided for a rent limitation to a qualified tenant. Within 10 days of serving a notice of termination based on a change in terms of tenancy under Section 827 of the California Civil Code or based on the termination of a tenant-based assistance program, the landlord must notify the Rent Board in writing of the monthly rent the tenant was paying before the termination, and provide a copy of the notice to the tenant.

The proposed ordinance amends Section 37.9(a)(2) to require that the tenant's violation of a lawful obligation or covenant of tenancy be a substantial violation for the landlord to seek recovery of possession. Furthermore, the amendment requires that before seeking recovery of possession based on a violation of a covenant regarding subletting or the number of occupants in the rental unit, that the landlord serve the tenant a written notice of the violation that gives the tenant an opportunity to cure in not less than 10 days. The tenant may cure the violation by submitting the written request for additional occupants allowed under Section 37.9(a)(2)(A),(B) or (C) or using any other reasonable means to cure.

The proposed ordinance amends Section 37.9(a)(3) by requiring that the violation by the tenant (causing a nuisance, causing substantial damage to the premises, etc.) be continuing at the time the landlord seeks to recover possession of the rental unit.

The proposed ordinance amends Section 37.9(a)(4) to prevent a landlord from seeking to recover possession of a unit solely because the illegal use of the unit is the occupancy of a unit that is not authorized for residential occupancy by the City.

The proposed ordinance amends Section 37.9(c) to require that a landlord plead and prove in any action to recover posession, that at least one of the grounds that is both enumerated in

Section 37.9(a)-(b) and stated in the notice to vacate is the dominant motive for seeking recovery of possession. A tenant may rebut the landlord's allegation that any of the grounds stated is the dominant motive.

The proposed ordinance also amends Section 37.9(c) to require the Rent Board to prepare a form in English, Chinese, Spanish, Vietnamese, and Russian that states that a tenant's failure to promptly respond to a notice to vacate could lead to a lawsuit for the tenant's eviction, and that the tenant may receive advise on the notice from the Rent Board. Landlords are required to attached a copy of the form in the tenant's primary language to a notice to vacate, and to attach a form that is in English if the tenant's primary language is not English, Chinese, Spanish, Vietnamese, or Russian.

Background Information

This legislative digest reflects amendments adopted by the Land Use and Transportation Committee on July 27, 2015, to provide that the "additional occupant" restrictions apply to occupants with tenancies with terms of less than 30 days.

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BOARD of SUPERVISORS



City Hall
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:

John Rahaim, Director, Planning Department

Tom Hui, Director, Department of Building Inspection

Delene Wolf, Executive Director, Rent Board Joanne Haves-White. Chief, Fire Department

Olson Lee, Director, Mayor's Office of Housing and Community Development

FROM:

Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee,

Board of Supervisors

DATE:

June 30, 2015

SUBJECT:

LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced by Supervisor Kim on June 16, 2015:

File No. 150646

Ordinance amending the Administrative Code to require landlords, after certain vacancies, to set the new base rent as the lawful rent in effect at the time of the vacancy; to require that there be a substantial violation of a lawful obligation or covenant of tenancy as a basis for the recovery of possession; to require a landlord, prior to seeking recovery of possession, to provide tenants an opportunity to cure the unauthorized addition of the tenant's family members to the tenant's unit; to prevent a landlord from seeking recovery of possession solely because the tenant is occupying a unit not authorized for residency; and to require landlords to plead and prove in any action to recover possession that at least one of the grounds of Section 37.9(a)-(b), stated in the notice to vacate is the dominant motive for recovering possession.

If you have any additional 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.

c:

Scott Sanchez, Zoning Administrator
Sarah Jones, Acting Environmental Review Officer,
AnMarie Rodgers, Senior Policy Advisor
Aaron Starr, Acting Manager of Legislative Affairs
Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning
William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection

Kelly Alves, Fire Secretary

Ausberry, Andrea

From:

Sue Vaughan <susan.e.vaughan@sonic.net>

Sent:

Thursday, September 10, 2015 10:05 AM

To:

Kim, Jane (BOS); Wiener, Scott; Cohen, Malia (BOS); Calvillo, Angela (BOS); Ausberry,

Andrea

Subject:

Low-Fault Eviction and Vacancy control legislation

Dear Supervisors:

The Sierra Club supports legislation recently introduced to protect tenants from "low-fault" evictions and to require landlords to implement vacancy control on units in which they have evicted tenants for certain reasons, including: to make capital improvements, owner move-ins, condo conversions, and lead abatement.

A more extensive letter will be submitted later.

Thank you.

Sue Vaughan SF Group Chair Sierra Club (415) 668-3119 (415) 601-9297 July 27, 2015

COBILER DE COMEN WIENER

via fax & URGENT

Kimi Clerk

SF Board of Supervisors
Land Use and Transportation Committee
1 Dr. Carlton Goodlett Pl.
San Francisco, CA. 94102

RE: Supervisor's Kim Rent Ordinance Amendments Proposal To Be Heard on July 27, 2015

Dear Supervisors Cohen, Wiener, and Kim:

I am writing to you to urge you to vote no on the subject proposal. First, it is unclear how the rent ordinance would be changed as we haven't seen the proposed language. Secondly, we don't believe that the stories for the proposed changes have been fully told.

One of the stories in the press is that a tenant had been threatened with eviction for leaving a stroller in the foyer. Well, I can see this might be a problem for tenants trying to get out of the building case of an emergency; of course, if anything should happen it will be the property owner who will be sued, not the tenant who left the stroller out.

The proposal also wants to keep the rent the same for apartments as a result of an eviction for a capital improvement project. The reason is that most tenants don't return. Now the rent regulations are such that the tenant is supposed to vacate no more than three months and they are to be given relocation expenses. This seems reasonable, especially the length of time from my experience as a property owner. In fact, over the years I have made it a point to read the Rent Board meeting minutes and I have never read about any problem with this section of the rent ordinance. That is, no one has ever complained that three months for a capital improvement project was too long.

Finally, the proposal would allow for additional roommates who are not family. I think this will just encourage more Airbnb type activity.

For the above reasons, I urge you to vote no.

Sincerely, Bell Quan 2526Van Ness Ave., #10 San Francisco, CA. 94109

LandUseCommittee-July27-2015HearingOnRentProposal

Ausberry, Andrea

From:

Board of Supervisors, (BOS)

Sent:

Monday, July 27, 2015 10:24 AM

To:

BOS-Supervisors; Ausberry, Andrea; Calvillo, Angela (BOS); Caldeira, Rick (BOS)

Subject:

File 150646 File FW: EVICTION PROTECTION 2.0 STATEMENT

From: Vivian Araullo [mailto:vivian@westbaycentersf.org]

Sent: Sunday, July 26, 2015 7:00 PM

To: Board of Supervisors, (BOS) <box/>board.of.supervisors@sfgov.org>; Cohen, Malia (BOS) <malia.cohen@sfgov.org>;

Wiener, Scott <scott.wiener@sfgov.org>; Kim, Jane (BOS) <jane.kim@sfgov.org>

Cc: Lee, Mayor (MYR) <mayoredwinlee@sfgov.org>; Lang, Davi (BOS) <davi.lang@sfgov.org>

Subject: EVICTION PROTECTION 2.0 STATEMENT

FOR THE LAND USE COMMITTEE

Dear Land Use Committee Members,

Very recently, some 20 Filipino Americans who reside on Natoma street in the South of Market (District 3) narrowly avoided being victims of eviction by their new landlord. The landlord was evicting them for reasons that could be easily remedied, such as poor housekeeping.

The tenants, some of whom are the parents and grandparents of the Filipino American youth we serve, had gone to West Bay Pilipino to seek advice. All of them are bilingual (English/Tagalog), non-native English speakers, whose facility in English is much less than in Tagalog.

They showed us many documents, all in English, to seek our help understanding what was happening. It did not even dawn on them that they were being evicted.

I cannot overstate the stress and agitation these low-income families went through as they were sued by the new landlord.

Had it not been for our and other community organizations' collaborative advocacy, these youth, families and seniors would now be hard-pressed to find suitable homes they can afford to rent, close to the schools their children go to, the work that sustains them and the community that supports them in this country they now call their home.

They would have been part of the growing number of low-income families that have been priced out of San Francisco—a trend that shows no signs of stopping for five consecutive years now in this city that has prided itself on valuing diversity.
The Family and Youth Zone of District 3, where my agency serves, remains to be the home of vulnerable populations including low-income Filipino immigrant families, as well as the home of rapid developments that appears to be targeted for wealthier residents. Progress should not come at the expense of the poor.
This is why we support the proposed legislation authored by our district supervisor Jane Kim. The legislation addresses issues that make our population more vulnerable to evictions, such as:
-Multi-lingual notices
-Giving tenants the opportunity to avoid being sued by giving them a chance to remedy minor lease infractions
-Taking away landlords' profit motives for evicting long-term, underserved tenants.
The housing and affordability crisis in San Francisco is primarily felt by populations such as ours.
This legislation, if passed, will address one aspect of the multi-pronged housing and affordability crisis. It will help prevent this crisis from escalating even more and victimizing the city's most vulnerable residents.
It will, hopefully, be a precedent for other Bay Area and American cities, that are also experiencing a similar crisis.
West Bay Pilipino urges you to pass this proposed legislation without further delay.
Thank you.
Sincerely,

Vivian Zalvidea Araullo
Executive Director
West Bay Pilipino Multi-Service Center
175 Seventh Street
San Francisco, CA 94103
Office Phone (415) 431-6266
Cell Phone (650) 219-9293

http://westbaycenter.org/

"How comfortable we are and yet there is so much suffering in the world."

~ Dalai Lama



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Ausberry, Andrea

From:

Board of Supervisors, (BOS)

Sent:

Monday, July 27, 2015 10:25 AM

To:

BOS-Supervisors; Ausberry, Andrea; Calvillo, Angela (BOS); Caldeira, Rick (BOS)

Subject:

File 150646 FW: Kim's Disasterous Pro-tenant Ordinance

Importance:

High

From: Ted Loewenberg [mailto:tedlsf@sbcglobal.net]

Sent: Sunday, July 26, 2015 3:29 AM

Cc: Lee, Mayor (MYR) <mayoredwinlee@sfgov.org>
Subject: Kim's Disasterous Pro-tenant Ordinance

Importance: High

Dear Supervisors,

Monday's Land Use Committee will hear public testimony on legislation brought by Sup. Kim. I cannot attend. Here are my comments, for the record:

This is terrible legislation! It intervenes in a legal agreement between two parties, neither of which agreed to such terms. This thrid party intervention is completely one sided, striping city landlords of already established legal remedies to cure problems in a tenancy, to which the tenants have also agreed.

Furthermore, this legislation will do nothing to ease the "housing crisis" of San Francisco. The problem is simply one of lack of supply to meet demand. Why? Because the temporary Rent Ordinance of 1979 has not only been made permanent, but expanded already by more than 130 changes. The result is that no reasonable person is willing to risk building multi-unit rental housing, since the message is clearly spray-painted on City walls: your property could also be devalued, and your investment ruined by 8 San Franciscans (7 Supes and the Mayor). That's why the City has underproduced rental housing, since 1992 especially, and now can't build enough affordable housing to catch up. The "housing crisis" is a problem of our own creation. The answer is to repeal the Rent Ordinance, not to expand it still one more time, in the blind hope that *this* time, it will make a difference.

Besides, this proposal will also be costly to the City. Should it pass, and the Mayor sign it, it will be challenged in court and be reversed. A waste of a couple of hundred thousand dollars in legal expenses.

Reject this ugly measure. It does not deserve your support.

Peace, Ted Loewenberg San Francisco

"It's got to come from the heart, if you want it to work" <u>Tedlsf@sbcglobal.net</u>

Ausberry, Andrea

From:

Board of Supervisors, (BOS)

Sent:

Thursday, July 23, 2015 8:32 AM

To:

BOS-Supervisors; Ausberry, Andrea; Caldeira, Rick (BOS)

Subject:

FW: File 150646

----Original Message----

From: Jeff Stillwell [mailto:jpstillwellcpa@hushmail.com]

Sent: Wednesday, July 22, 2015 7:29 PM

Subject: File 150646

I am a SF apartment owner and opposed to the above proposal. It sounds like vacancy control, which is a much different thing than rent control. If the owner cannot set the rent based upon market conditions when there is a vacancy, then the housing economy is essentially controlled by the government. When the government tries to run the economy, things almost always turn out bad. Regarding subletting, I feel that we have been through this over the past 10 years and we currently have a pretty good compromise which protects tenants from excessive rent increases, and also protects owners from perpetual tenancies. Please vote NO.

Jeff Stillwell



July 23, 2015

Members of the Board of Supervisors City and County of San Francisco 1 Dr. Carlton Goodlett Place Room 244 San Francisco, CA. 94102

RE: Supervisor Kim's SF Rent Ordinance Proposal

Dear Supervisors:

I am writing to you to urge you to vote no on the subject proposal. As a housing provider it would make it more difficult and even more expensive it is quite expensive now- to remove bad tenants and protect other tenants. Also, the proposal is an end-around and an attack on the state law, Costa-Hawkins, which allows the landlord to rent a vacant unit at market rents; but the subject proposal would undermine the owner's ability to maintain their buildings.

Sincerely,

Pill Zuan
Bill Quan

2526 Van Ness Ave., #10

San Francisco, CA. 94109

BdOfSupervisors-July2015LtrOpposingSupKim'sRentOrdinanceProposal

File: 150 U410
BOS-11, COB, Leg F
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Cpage

Ausberry, Andrea

From:

Board of Supervisors, (BOS)

Sent:

Thursday, July 16, 2015 4:13 PM BOS-Supervisors; Ausberry, Andrea

To: Subject:

File 150646 FW: oppose rent-control proposal

From: Judith Robinson [mailto:judyrobo@pacbell.net]

Sent: Thursday, July 16, 2015 1:27 PM

To: Board of Supervisors, (BOS)

Subject: Fwd: oppose rent-control proposal

To Clerk of the Board of Supervisors, for dispersal to all Board members.

J. Robinson

----- Forwarded Message -----

Subject: oppose rent-control proposal

Date: Thu, 16 Jul 2015 13:25:57 -0700

From:Judith Robinson < judyrobo@pacbell.net>

To: Julie. Christensen@sfgov.org

Judith Robinson

562 B Lombard Street

San Francisco, California 94133-7057

415 788 9112

e-mail: judyrobo@pacbell.net

16 July, 2015

Supervisor Julie Christensen

via e-mail: Julie.Christensen@sfgov.org

S. F. Board of Supervisors

RE: Oppose Kim amendment

City Hall

San Francisco, CA. 94102

Dear Supervisor:

I strongly urge a no vote on Supervisor Jane Kim's proposed amendment to the Residential Rent Stabilization and Arbitration Ordinance (file 150646).
It would <u>penalize property owners beyond limitations now imposed</u> on landlords respecting protection of thei property and financial interests.
It <u>particularly would work hardships on small property owners like myself who have one rental unit, are on fixed income and rely on rent for income</u> . It would make it even <u>more difficult to oust problem renters and lim the ability to base rent on market rates</u> as stipulated by existing law and regulations.
Please reject this <u>punitive</u> and <u>unfair proposal entirely</u> .
Thank you for considering my views.
Judith Robinson

Clerk, Board.of.Supervisors@sfgov.org

Supervisor Jane Kim

cc:

Caldeira, Rick (BOS)

From:

Pollock, Jeremy (BOS)

Sent:

Tuesday, June 16, 2015 3:50 PM

To:

Lee, Ivy (BOS); BOS Legislation, (BOS)

Cc:

Caldeira, Rick (BOS); Veneracion, April (BOS); Davi Lang; Kim, Jane (BOS)

Subject:

RE: KIM - Ordinance - Tenant Protection legislation

Yes, please add Supervisor Avalos as a cosponsor.

Jeremy Pollock Legislative Aide San Francisco Supervisor John Avalos (415) 554-7910 direct (415) 554-6975 office

From: Lee, Ivy (BOS)

Sent: Tuesday, June 16, 2015 3:48 PM

To: BOS Legislation, (BOS)

Cc: Caldeira, Rick (BOS); Veneracion, April (BOS); Davi Lang; Kim, Jane (BOS)

Subject: KIM - Ordinance - Tenant Protection legislation

Please find attached the above-referenced legislation and the legislative digest. Hard copies and the signed introduction form were provided to your office earlier today.

Please note that Supervisor Avalos should be listed as a co-sponsor but was not named on the accompanying Introduction Form. I will ask his office to confirm co-sponsorship.

Thank you,

lvy

Ivy Lee Legislative Aide, Supervisor Jane Kim/District 6 415.554.7973 (direct) ivy.lee@sfgov.org

Sign up for the District 6 newsletter

ORIG: LM Clerk BOS-11. COB, Leg. Dep. anul Depc. al Mayors

President, District 5 BOARD of SUPERVISORS



City Hall

1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-7630
Fax No. 554-7634
TDD/TTY No. 544-5227

London Breed

PRESIDENTIAL ACTION Date: 6/24/15 To: Angela Calvillo, Clerk of the Board of Supervisors Madam Clerk, Pursuant to Board Rules, I am hereby: ✓ Waiving 30-Day Rule (Board Rule No. 3.23) File No. 150646 ✓ (Primary Sponsor) Title. Amendments to Residential Rent Stabilization ☐ Transferring (Board Rule No. 3.3)					한 및 <u>과</u> # 및
To: Angela Calvillo, Clerk of the Board of Supervisors Madam Clerk, Pursuant to Board Rules, I am hereby: Waiving 30-Day Rule (Board Rule No. 3.23) File No. 150646 Kim (Primary Sponsor) Title. Amendments to Residential Rent Stabilization. Transferring (Board Rule No. 3.3)		PRESIDENTIAL ACTION		W.	
Madam Clerk, Pursuant to Board Rules, I am hereby:	Date:	6/24/15			
Pursuant to Board Rules, I am hereby: Waiving 30-Day Rule (Board Rule No. 3.23) File No. 150646 Kim (Primary Sponsor) Title. Amendments to Residential Rent Stabilization Transferring (Board Rule No. 3.3)	То:	Angela Calvillo, Clerk of the Board of Superviso	ors		
File No. 150646 Kim (Primary Sponsor) Title. Amendments to Residential Rent Stabilization Transferring (Board Rule No. 3.3)		•			
(Primary Sponsor) Title. Amendments to Residential Rent Stabilization Transferring (Board Rule No. 3.3)	\boxtimes	Waiving 30-Day Rule (Board Rule No. 3.23)			
Title. Amendments to Residential Rent Stabilization. Transferring (Board Rule No. 3.3)			onsor)		
- Transferring (board Rule 100. 5.5)			•		
		Transferring (Board Rule No. 3.3)			
File No(Primary Sponsor)		File No(Primary Spo	onsor)		
Title.	•	Title.	:		
From: Committee		From:	Co.	mmittee	
To:Committee		То:	Cor	nmittee	
Assigning Temporary Committee Appointment (Board Rule No. 3.1)		Assigning Temporary Committee Appointment	(Board Rule No.	3.1)	
Supervisor		Supervisor			
Replacing Supervisor		Replacing Supervisor	_		
For: Meeting				<u>.</u>	Meeting

London Breed, President Board of Supervisors Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

I hereby submit the following item for introduction (select only one):	Time stamp or meeting date
1. For reference to Committee. (An Ordinance, Resolution, Motion, or	Charter Amendment)
•	Chartor 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. 150646	
9. Reactivate File No.	
10. Question(s) submitted for Mayoral Appearance before the BOS on	
Please check the appropriate boxes. The proposed legislation should be forwa Small Business Commission Youth Commission Planning Commission Building Insp. Note: For the Imperative Agenda (a resolution not on the printed agenda),	Ethics Commission
Sponsor(s):	
Kim; Campos, Mar, Avalos	
Subject:	
Amendments to Residential Rent Stabilization and Arbitration Ordinance	
The text is listed below or attached:	
Please see attached.	
Signature of Sponsoring Supervisor:	
For Clerk's Use Only:	