File No	170349	Committee Item No	
		Board Item No.	

# **COMMITTEE/BOARD OF SUPERVISORS**

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[Administrative Code - Owner Move-In Reporting Requirements]

Ordinance amending the Administrative Code to require a landlord seeking to recover possession of a rental unit based on an owner move-in ("OMI") or relative move-in ("RMI") to provide a declaration under penalty of perjury stating that the landlord intends to occupy the unit for use as the principal place of residence of the landlord or the landlord's relative for at least 36 continuous months; require a landlord seeking to recover possession of a rental unit based on an OMI or RMI to provide the tenant with a form prepared by the Rent Board to be used to advise the Rent Board of any change in address; require a landlord to file annual documentation with the Rent Board for three years after an OMI or RMI showing whether the landlord or relative is occupying the unit as his or her principal place of residence; require the Rent Board to annually notify the unit occupant of the maximum rent for the unit for three years after an OMI or RMI; and extend the statute of limitations for wrongful eviction claims based on an unlawful OMI or RMI from one year to three years.

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

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

subsections or parts of tables.

Section 1. The Administrative Code is hereby amended by revising Sections 37.9 and 37.9B, to read as follows:

#### SEC. 37.9. EVICTIONS.

Notwithstanding Section 37.3, this Section 37.9 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:
- (8) The landlord seeks to recover possession in good faith, without ulterior reasons and with honest intent:
- (i) For the landlord's use or occupancy as his or her principal residence for a period of at least 36 continuous months;
- (ii) For the use or occupancy of the landlord's grandparents, grandchildren, parents, children, brother or sister, or the landlord's spouse, or the spouses of such relations, as their principal place of residency for a period of at least 36 months, in the same building in which the landlord resides as his or her principal place of residency, or in a building in which the landlord is simultaneously seeking possession of a rental unit under Section 37.9(a)(8)(i). For purposes of this Section 37.9(a)(8)(ii), the term <u>"spouse"</u> shall include domestic partners as defined in *San Francisco* Administrative Code Sections 62.1 through 62.8.

(v) The notice to vacate shall include a form prepared by the Rent Board that the tenant can use to keep the Rent Board apprised of any future change in address, and a declaration executed by the landlord under penalty of perjury stating that the landlord seeks to recover possession of the unit in good faith, without ulterior reasons and with honest intent, for use or occupancy as the principal residence of the landlord or the landlord's relative (identified by name and relation to the landlord). for a period of at least 36 continuous months, as set forth in subsections 37.9(a)(8)(i) and (ii). The landlord shall file the notice with the Rent Board pursuant to Section 37.9(c). Evidence of any of the following shall create a rebuttable presumption that the landlord has not acted in good faith, unless

and until evidence is introduced that would support a finding that the landlord has acted in good faith, in which case the trier of fact shall determine the existence or nonexistence of the presumed fact from the evidence and without regard to the presumption: (1) the landlord has refused to file the notice with the Rent Board, (2) It shall be rebuttably presumed that the landlord has not acted in good faith if the landlord or relative for whom the tenant was evicted did does not move into the rental unit within three months after the landlord recovered possession and occupy said unit as that person's principal residence for a minimum of 36 consecutive months after moving in, or (3) the landlord rented the unit to a new tenant at a rent greater than that which would have been the rent had the tenant who had been required to vacate remained in continuous occupancy and the rental unit remained subject to this Chapter 37 as provided in Section 37.9B.

\* \* \* \*

must complete a statement of occupancy under penalty of perjury on a form to be prepared by the Rent Board. The landlord shall file the statement of occupancy with the Rent Board three months after recovery of possession of the unit, and shall file updated statements of occupancy 12 months, 24 months, and 36 months after the recovery of possession of the unit. The statement, including the updates, shall identify whether the unit is (1) occupied as the principal place of residence of the landlord or the relative (identified by name and relation to the landlord) for whom the tenant was evicted, (2) occupied by another person, or (3) unoccupied. If the unit is occupied by a person other than the landlord or relative for whom the tenant was evicted, the statement of occupancy shall also disclose the current rent for the unit; and the Rent Board shall make all reasonable efforts to send the displaced tenant a copy of the statement of occupancy within 30 days of the date of filing, or a notice that the landlord did not file a statement of occupancy if no statement of occupancy was filed. If the unit is occupied by the landlord or the relative for whom the tenant was evicted, the landlord shall also simultaneously file with the Rent Board at least two forms of documentation in which the unit is listed

as the landlord or relative's place of residence. Acceptable forms of this documentation shall include at least two of the following categories: (1) current utility services contract or utility billing records from within 45 days of the date of filing; (2) current motor vehicle registration and insurance policy for the vehicle; (3) current homeowner's or renter's insurance policy; (4) correspondence from within 45 days of the date of filing from any government agency, including federal, state, and local taxing authorities: (5) current voter registration; (6) current driver's license; (7) proof that the individual has obtained a homeowner's exemption from property taxes for the unit; or (8) any other credible documentary evidence showing that the landlord or relative actually occupies the rental unit as his or her principal place of residence. Evidence that the landlord did not timely file a statement of occupancy and supporting documentation with the Rent Board shall create a rebuttable presumption that the landlord did not recover possession of the unit in good faith, unless and until evidence is introduced that would support a finding that the landlord did recover possession of the unit in good faith, in which case the trier of fact shall determine the existence or nonexistence of the presumed fact from the evidence and without regard to the presumption.

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

(f) Whenever a landlord wrongfully endeavors to recover possession or recovers possession of a rental unit in violation of Sections 37.9 and/or 37.10<u>A</u> as enacted herein, the tenant or <u>Rent</u> Board may institute a civil proceeding for injunctive relief, money damages of not less than three times actual damages, (including damages for mental or emotional distress <u>as specified below</u>), and whatever other relief the court deems appropriate. <u>If the landlord has recovered possession pursuant to Section 37.9(a)(8), such action shall be brought no later</u>

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than three years after the date of recovery of possession. In the case of an award of damages for mental or emotional distress, said award shall only be trebled if the trier of fact finds that the landlord acted in knowing violation of or in reckless disregard of Section 37.9 or 37.10A herein. The prevailing party shall be entitled to reasonable attorney's fees and costs pursuant to order of the court. The remedy available under this Section 37.9(f) shall be in addition to any other existing remedies which may be available to the tenant or the Board.

\* \* \* \*

#### SEC. 37.9B. TENANT RIGHTS IN EVICTIONS UNDER SECTION 37.9(a)(8).

(a) Any rental unit which a tenant vacates after receiving a notice to guit based on Section 37.9(a)(8), and which is subsequently no longer occupied as a principal residence by the landlord or the landlord's grandparent, parent, child, grandchild, brother, sister, or the landlord's spouse, or the spouses of such relations must, if offered for rent during the threeyear period following service of the notice to quit under Section 37.9(a)(8), be rented in good faith at a rent not greater than that which would have been the rent had the tenant who had been required to vacate remained in continuous occupancy and the rental unit remained subject to this Chapter <u>37</u>. If it is asserted that a rent increase could have taken place during the occupancy of the rental unit by the landlord if the rental unit had been subjected to this Chapter, the landlord shall bear the burden of proving that the rent could have been legally increased during the period. If it is asserted that the increase is based in whole or in part upon any grounds other than that set forth in Section 37.3(a)(1), the landlord must petition the Rent Board pursuant to the procedures of this Chapter. Displaced tenants shall be entitled to participate in and present evidence at any hearing held on such a petition. Tenants displaced pursuant to Section 37.9(a)(8) shall make all reasonable efforts to keep the Rent Board apprised of their current address. The Rent Board shall provide notice of any proceedings

before the Rent Board to the displaced tenant at the last address provided by the tenant. No increase shall be allowed on account of any expense incurred in connection with the displacement of the tenant.

(e) Within 30 days after the effective date of a written notice to vacate that is filed with the Rent Board under Section 37.9B(c) the Rent Board shall record a notice of constraints with the County Recorder identifying each unit on the property that is the subject of the Section 37.9B(c) notice to vacate, stating the nature and dates of applicable restrictions under Sections 37.9(a)(8) and 37.9B. The Rent Board shall also send a notice to the unit that states the maximum rent for that unit under Sections 37.9(a)(8) and 37.9B, and shall send an updated notice to the unit 12 months, 24 months, and 36 months thereafter, or within 30 days of such date. If a notice of constraints is recorded but the tenant does not vacate the unit, the landlord may apply to the Rent Board for a rescission of the recorded notice of constraints. The Rent Board shall not be required to send any further notices to the unit pursuant to this subsection (e) if the constraints on the unit are rescinded.

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Section 2. 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 3. 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:

MANU PRADHAN Deputy City Attorney

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#### REVISED LEGISLATIVE DIGEST

(Substituted, 5/16/2017)

[Administrative Code - Owner Move-In Reporting Requirements]

Ordinance amending the Administrative Code to require a landlord seeking to recover possession of a rental unit based on an owner move-in ("OMI") or relative move-in ("RMI") to provide a declaration under penalty of perjury stating that the landlord intends to occupy the unit for use as the principal place of residence of the landlord or the landlord's relative for at least 36 continuous months; require a landlord seeking to recover possession of a rental unit based on an OMI or RMI to provide the tenant with a form prepared by the Rent Board to be used to advise the Rent Board of any change in address; require a landlord to file annual documentation with the Rent Board for three years after an OMI or RMI showing whether the landlord or relative is occupying the unit as his or her principal place of residence; require the Rent Board to annually notify the unit occupant of the maximum rent for the unit for three years after an OMI or RMI; and extend the statute of limitations for wrongful eviction claims based on an unlawful OMI or RMI from one year to three years.

#### **Existing Law**

The City's Residential Rent Stabilization and Arbitration Ordinance allows a landlord to recover possession of a rental unit if the landlord has a good faith intent to occupy the rental unit as its principal residence for a period of at least 36 continuous months (an "Owner Move-In," or "OMI"). Under certain conditions, a landlord can also recover a rental unit based on the landlord's good faith intent to use the unit as the principal residence of the landlord's family members for a period of at least 36 continuous months (a "Relative Move-In," or "RMI").

A landlord formally initiates the OMI or RMI process by serving the tenant a notice to vacate, and must then file a copy of the notice to vacate with the Rent Board. This filing triggers the Rent Board's recording of a three-year notice of constraints on the unit (among other things). If a landlord offers a unit for rent during the three-year period following service of a notice to vacate, the landlord must offer the unit in good faith at a rent not greater than the rent the original tenant would have been required to pay had the original tenant remained in continuous occupancy of the unit.

If the OMI or RMI leads to an unlawful detainer action, it falls to a court to determine issues such as whether the landlord served the notice to vacate, and whether the landlord satisfies the underlying requirement of having a good faith intent to occupy the unit as the landlord or the relative's principal residence for a period of 36 continuous months.

Landlords are not currently required to report to the Rent Board regarding the use of a rental unit following an OMI or RMI. A tenant who has been evicted due to an OMI or RMI may sue

BOARD OF SUPERVISORS Page 1

for wrongful eviction if the tenant comes to believe that the eviction was unlawful. A wrongful eviction action must be brought within one year after the recovery of possession of the unit.

#### Amendments to Current Law

The legislation would require the notice to vacate for an OMI or RMI to include a form prepared by the Rent Board that the tenant can use to advise the Rent Board of any change in address, and a declaration executed by the landlord under penalty of perjury stating that the landlord intends to recover possession of the unit in good faith for use as the principal residence of the landlord or the landlord's relative for a period of at least 36 continuous months.

The legislation would create a rebuttable presumption that the landlord did not perform the OMI or RMI in good faith, if (1) the landlord has refused to file the notice to vacate with the Rent Board; (2) the landlord or relative did not move into the unit within three months after the recovery of possession and then occupy the unit as their principal residence for at least 36 continuous months; or (3) the landlord within three years after service of the notice rented the unit to a new tenant at a rent greater than what the original tenant would have been required to pay had the original tenant remained in the unit. These rebuttable presumptions merely describe the initial burden of producing evidence in unlawful detainer and wrongful eviction actions. They are preliminary assumptions intended to facilitate the determination of whether a landlord has met the underlying requirement of good faith. They do not alter the burden of proof in such cases. Thus, if a landlord introduced evidence that would support a finding of good faith, the trier of fact would have to determine whether there was good faith based on all the evidence and without regard to the initial presumption.

The legislation would also require a landlord to file an annual "statement of occupancy" with the Rent Board for three years after recovery of possession for an OMI or RMI. The landlord would need to execute the statement of occupancy under penalty of perjury and identify whether the unit was occupied as the principal residence of the landlord or relative, and if so, also provide supporting documentation. If the unit was not occupied by the landlord or relative, the statement of occupancy would need to disclose the current rent for the unit. A landlord's failure to file a statement of occupancy (and supporting documentation, if applicable) would create a rebuttable presumption of a lack of good faith, similar to the presumption discussed above.

The Rent Board would be required to send the original tenant a copy of each statement of occupancy filing. The Rent Board would also be required to send the new unit occupant a notice stating the maximum rent for the unit, for three years after the OMI or RMI.

Finally, the legislation would extend the statute of limitations for wrongful eviction actions following an OMI or RMI to three years after the landlord recovered possession of the unit.

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**BOARD OF SUPERVISORS** 

#### BOARD of SUPERVISORS



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

### MEMORANDUM

TO:

Robert Collins, Executive Director, Rent Board

Olson Lee, Director, Mayor's Office of Housing and Community Development Nadia Sesay, Interim Executive Director, Office of Community Investment and

Infrastructure

FROM:

Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE:

May 23, 2017

SUBJECT:

SUBSTITUTE LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed substitute legislation, introduced by Supervisor Farrell on May 16, 2017:

File No. 170349

Ordinance amending the Administrative Code to require a landlord seeking to recover possession of a rental unit based on an owner move-in ("OMI") or relative move-in ("RMI") to provide a declaration under penalty of perjury stating that the landlord intends to occupy the unit for use as the principal place of residence of the landlord or the landlord's relative for at least 36 continuous months; require a landlord seeking to recover possession of a rental unit based on an OMI or RMI to provide the tenant with a form prepared by the Rent Board to be used to advise the Rent Board of any change in address; require a landlord to file annual documentation with the Rent Board for three years after an OMI or RMI showing whether the landlord or relative is occupying the unit as his or her principal place of residence; require the Rent Board to annually notify the unit occupant of the maximum rent for the unit for three years after an OMI or RMI; and extend the statute of limitations for wrongful eviction claims based on an unlawful OMI or RMI from one year to three years.

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

c: Eugene Flannery, Mayor's Office of Housing and Community Development Kate Hartley, Mayor's Office of Housing and Community Development Amy Chan, Mayor's Office of Housing and Community Development

#### **BOARD of SUPERVISORS**



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

## MEMORANDUM

TO:

Robert Collins, Executive Director, Rent Board

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

Development

Nadia Sesay, Interim Executive Director, Office of Community Investment

and Infrastructure

FROM:



Alisa Somera, Legislative Deputy Director Land Use and Transportation Committee

DATE:

April 11, 2017

SUBJECT:

LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Farrell on April 4, 2017:

File No. 170349

Ordinance amending the Administrative Code to require a landlord seeking to recover possession of a rental unit based on an owner move-in ("OMI") or relative move-in ("RMI") to provide a declaration under penalty of perjury stating that the landlord intends to occupy the unit for use as the principal place of residence of the landlord or the landlord's relative for a period of at least 36 continuous months; and to require a landlord following an OMI or RMI to provide annual documentation for 36 months showing whether the landlord or the landlord's relative is occupying the unit as his or her principal place of residence.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: <a href="mailto:alisa.somera@sfgov.org">alisa.somera@sfgov.org</a>.

c: Eugene Flannery, Mayor's Office of Housing and Community Development Kate Hartley, Mayor's Office of Housing and Community Development Amy Chan, Mayor's Office of Housing and Community Development **Print Form** 

# Introduction FORM FRANCISCO

By a Member of the Board of Supervisors or Mayory 16 PM 4: 32

I hereby submit the following item for introduction (select only one):	stamp eting date
Thereby submit the following item for introduction (select only one).	
1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).	•
2. Request for next printed agenda Without Reference to Committee.	
3. Request for hearing on a subject matter at Committee.	
4. Request for letter beginning: "Supervisor	inquiries"
5. City Attorney Request.	
6. Call File No. from Committee.	
7. Budget Analyst request (attached written motion).	
8. Substitute Legislation File No. 170349	
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 forwarded to the following Small Business Commission	
Planning Commission  Building Inspection Commission	
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative	Form.
Sponsor(s):	
Supervisors Mark Farrell; Jeff Sheehy, Malia Cohen, London Breed	
Subject:	
Administrative Code - Owner Move-In Reporting Requirements	
The text is listed:	
Attached.	
Signature of Sponsoring Supervisor:	7
For Clerk's Use Only	V

**Print Form** 

For Clerk's Use Only:

# Introduction Form RECEIVED RECEIVED OF SUPERVISORS By a Member of the Board of Supervisors or the Mayor SAM FRANCISCO

	CONTRACTOR OF THE TOTAL	Time stamp or meeting date
I hereby submit the following item for introduction (select only one):		of freeding date
1. For reference to Committee. (An Ordinance, Resolution, Motion, or	Charter Amendmen	t)
2. Request for next printed agenda Without Reference to Committee.	and the second second second second	• •
☐ 3. Request for hearing on a subject matter at Committee.		
4. Request for letter beginning "Supervisor		inquires"
☐ 5. City Attorney request.		
☐ 6. Call File No. from Committee.		•
7. Budget Analyst request (attach written motion).		
8. Substitute Legislation File No.		
9. Reactivate File No.		
☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on		
Please check the appropriate boxes. The proposed legislation should be forw  Small Business Commission Youth Commission  Planning Commission Building Institute For the Imperative Agenda (a resolution not on the printed agenda)	☐ Ethics Commission	ssion
Sponsor(s):		
Supervisor Farrell; Sheehy One Breed		
Subject:		
Administrative Code - Owner Move-In Reporting Requirements	and the second s	
The text is listed below or attached:		
Ordinance amending the Administrative Code to require a landlord seeking to based on an owner move-in ("OMI") or relative move-in ("RMI") to provide a stating that the landlord intends to occupy the unit for use as the principal place landlord's relative for a period of at least 36 continuous months; and to require to provide annual documentation for 36 months showing whether the landlord the unit as his or her principal place of residence.	declaration under perce of residence of the a landlord following	enalty of perjury landlord or the g an OMI or RMI
Signature of Sponsoring Supervisor:	/	