## AMENDED IN COMMITTEE 6/26/2017 ORDINANCE NO.

FILE NO. 170417

1	[Administrative Code - Owner Move-In Evictions and Other Landlord-Tenant Matters]
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3	Ordinance amending the Administrative Code regarding owner and relative move-in
4	("OMI") evictions to require a landlord seeking to recover possession of a unit for an
5	OMI to provide the tenant with an approved form to advise the Rent Board of address
6	changes; clarify the evidentiary standard for finding that an OMI was performed in
7	good faith; require a landlord to file documentation with the Rent Board regarding the
8	status of the OMI, with a penalty for not filing such documentation, and requiring the
9	Rent Board to transmit a random sampling of such documentation to the District
10	Attorney; extend from three to five years the time period after an OMI during which a
11	landlord who intends to re-rent the unit must first offer the unit to the displaced tenant;
12	and authorize a tenant who has been charged excess rent within five years after an OMI
13	to sue for treble damages; and, as to matters not limited to OMI evictions, <del>provide that</del>
14	a landlord's failure to timely file a copy of the notice to vacate with the Rent Board is a
15	defense in an unlawful detainer proceeding; provide that a tenant waiver of rights in a
16	buyout agreement is not enforceable if the buyout is not timely filed with the Rent
17	Board; extend from one to three years the statute of limitations for wrongful eviction
18	claims; and authorize interested non-profit organizations to sue for wrongful eviction
19	and collection of excess rent; and making clarifying changes.
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21	NOTE: Unchanged Code text and uncodified text are in plain Arial font.
22	Additions to Codes are in <u>single-underline italics Times New Roman font</u> .  Deletions to Codes are in <u>strikethrough italics Times New Roman font</u> .
23	Board amendment additions are in double-underlined Arial font.  Board amendment deletions are in strikethrough Arial font.  Astorisks (* * * *) indicate the emission of unchanged Code.
24	Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

1	Be it ordained by the People of the City and County of San Francisco:
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3	Section 1. The Administrative Code is hereby amended by revising Sections 37.6,
4	37.9, 37.9B, 37.9E, 37.10A, and 37.11A, to read as follows:
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6	SEC. 37.6. POWERS AND DUTIES.
7	In addition to other powers and duties set forth in this Chapter, and in addition to
8	powers under the Charter and under other City Codes, including powers and duties under
9	Administrative Code Chapter 49 ("Interest Rates on Security Deposits"), the Rent Board shall
10	have the power to:
11	* * * *
12	(k) Compile a list at random, oOn a monthly basis starting January 1, 2018, compile copies
13	at random of 10% percent of the all statements of occupancy filed with the Rent Board pursuant to
14	Section 37.9(a)(8)(vii), and compile a list of all units for which the required statement of occupancy
15	was not filed with the Rent Board notices to vacate filed pursuant to Section 37.9(c) which state on the
16	notice or in any additional written document any causes under Section 37.9(a)(8) as the reason for
17	eviction. Said copies and said list shall be transmitted to the District Attorney on a monthly basis
18	for investigation pursuant to Section 37.9(c). In cases where the District Attorney determines that
19	Section 37.9(a)(8) has been violated, the District Attorney shall take whatever action he or she deems
20	appropriate under this Chapter 37 or under State law.
21	* * * *
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23	SEC. 37.9. EVICTIONS
24	Notwithstanding Section 37.3, this Section 37.9 shall apply as of August 24, 1980, to all
25	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 spouse shall include domestic partners as defined in *San Francisco*-Administrative Code Sections 62.1 through 62.8.

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(V) Commencing January 1, 2018, the landlord shall attach to the notice to vacate a form prepared by the Rent Board that the tenant can use to keep the Rent Board apprised of any future change in address. It shall be rebuttably presumed that the landlord has not acted in good faith if Evidence that the landlord has not acted in good faith may include, but is not limited to, any of the following: (1) the landlord has failed to file the notice to vacate with the Rent Board as required by Section 37.9(c), (2) 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 then occupy said unit as that person's principal residence for a minimum of 36 consecutive months: (3)(2) the landlord or relative for whom the tenant was evicted lacks a legitimate, bona fide reason for not moving into the unit within three months after the recovery of possession and/or then occupying said unit as that person's principal residence for a minimum of 36 consecutive months,

(4)(3) the landlord did not file a statement of occupancy with the Rent Board as required by Section 37.9(a)(8)(vii), (5)(4) the landlord violated Section 37.9B by renting the unit to a new tenant at a rent greater than that which would have been the rent had the original tenant remained in continuous occupancy and the rental unit remained subject to this Chapter, and (6)(5) such other factors as a court or the Rent Board may deem relevant. Nothing in this Section 37.9(a)(8)(v) is intended to alter or diminish any other right to relief that a tenant may have based on a landlord's failure to comply with this Chapter 37.

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(vii) A landlord who has served a notice to vacate based on Section 37.9(a)(8) on or after January 1, 2018 must complete a statement of occupancy under penalty of perjury on a form to be prepared by the Rent Board that discloses whether the landlord has recovered possession of the unit. The landlord shall file the statement of occupancy with the Rent Board within 90 days after the date of service, and shall file an updated statement of occupancy every 90 days thereafter, unless the statement of occupancy discloses that the landlord is no longer endeavoring to recover possession of the unit, in which case no further statements of occupancy need be filed. If the statement of occupancy discloses that the landlord has already recovered possession of the unit, the landlord shall file updated statements of occupancy once a year for five years, no later than 12 months, 24 months, 36 months, 48 months, and 60 months after the recovery of possession of the unit. Each statement of occupancy filed after the landlord has recovered possession of the unit shall disclose the date of recovery of possession, the number of consecutive months that the landlord or relative for whom the tenant was evicted has been occupying the unit as that person's principal residence, the date such occupancy commenced (or alternatively, the reasons why occupancy has not yet commenced), the rent charged for the unit if any, and such other information and documentation as the Rent Board may require in order to effectuate the purposes of this Section 37.9(a)(8). The Rent Board shall make all reasonable efforts to send the displaced tenant a copy of each 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. In addition, the Rent Board shall impose an administrative penalty on any landlord who fails to comply with this subsection (a)(8)(vii), in the amount of \$250500 for the first violation, \$500 for the second violation, and \$1,000 for every subsequent violation. The procedure for the imposition, enforcement, collection, and administrative review of the administrative penalty shall be governed by Administrative Code Chapter 100, "Procedures Governing the Imposition of Administrative Fines," which is hereby incorporated in its entirety; provided, however, that the hearing officer in such appeal shall have discretion to grant a landlord relief from all or part of the penalty owed if the hearing officer finds that imposing the full penalty would cause the landlord to experience financial hardship.

(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

\* \* \* \*

(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, before endeavoring to recover possession. The Board shall prepare a written form that (1) 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 that advice regarding the notice to vacate is available from the Board; and (2) includes information provided by the Mayor's Office of Housing and Community Development regarding eligibility for affordable housing programs.

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 *or quit* 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. Failure to file such notice with the Rent Board within 10 days of service shall be a defense to any unlawful detainer action. 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. In any action to recover possession of the rental unit under Section 37.9, 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.

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

- Section 37.10A. Any waiver by a tenant of rights under this Chapter <u>37 except as provided in Section 37.10A(g)</u>, shall be void as contrary to public policy.
- (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 *the Rent* 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>Such action shall be commenced within three years after the plaintiff knew, or through the exercise of reasonable diligence should have known, of the facts constituting the violation.</u> 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.

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## 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 quit 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 *fivethree*-year 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 *th*at 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.
  - (b) <u>(1) For notices to vacate served before January 1, 2018, any Any</u> landlord who, within three years of the date of service of the notice to quit, offers for rent or lease any unit in which the possession was recovered pursuant to Section 37.9(a)(8) shall first offer the unit for rent or lease to the tenants displaced, in the same manner as provided for in Sections 37.9A(c) and (d).
  - (2) For notices to vacate served on or after January 1, 2018, any landlord who, within five years of the date of service of the notice to quit, offers for rent or lease any unit in which the possession was recovered pursuant to Section 37.9(a)(8) shall first offer the unit for rent or lease to the tenants displaced, by mailing a written offer to the address that the tenant has provided to the landlord. If the tenant has not provided the landlord a mailing address, the landlord shall mail the offer to the address on file with the Rent Board, and if the Rent Board does not have an address on file, then to the unit from which the tenant was displaced and to any other physical or electronic address of the tenant of which the landlord has actual knowledge. The landlord shall file a copy of the offer with the Rent Board within 15 days of the offer. The tenant shall have 30 days from receipt of the offer to notify the

landlord of acceptance or rejection of the offer and, if accepted, shall reoccupy the unit within 45 days of receipt of the offer.

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(e) Within 30 days after the effective date of a written notice to vacate that is filed with the <u>Rent</u> Board under Section 37.9B(c) the <u>Rent</u> 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. <u>For notices to vacate filed under Section 37.9B(c) on or after January 1, 2018, the Rent Board shall send a notice to the unit 30 days after the effective date of the notice to vacate 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, 36 months, 48 months, and 60 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 <u>Rent</u> Board for a rescission of the recorded notice of constraints. <u>The Rent Board shall not be required to send any further notices to</u> the unit pursuant to this subsection (e) if the notice of constraints on the unit is rescinded.</u>

## SEC. 37.9E. TENANT BUYOUT AGREEMENTS.

(h) **Filing of Buyout Agreements.** The landlord shall file a copy of the Buyout Agreement with the Rent Board no sooner than the 46th day after the Buyout Agreement is executed by all parties, and no more than 59 days after the agreement is executed by all parties. Any waiver of rights by a tenant in a Buyout Agreement executed on or after January 1, 2018, that is not filed with the Rent Board within 59 days after execution shall not be enforceable. Buyout agreements rescinded under subsection (g) need not be filed with the Rent Board.

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(e)(f) If possession of a rental unit is recovered as the result of any written or verbal
statement to the tenant that the landlord intends to recover the unit under one of the grounds
enumerated in Section 37.9(a) or (b), the unit shall be subject to all restrictions set forth under
this Chapter on units recovered for such stated purpose regardless of any agreement made
between the landlord or the landlord's agent and the tenant who vacated the recovered unit.
Any unit vacated by a tenant within 120 days after receiving any written or verbal statement
from the landlord stating that the landlord intends to recover the unit under Section 37.9(a) or
(b), shall be rebuttably presumed to have been recovered by the landlord pursuant to the
grounds identified in that written or verbal statement.

who willfully assists a landlord, including the landlord's attorney or legal representative, to seek or obtain a tenant's agreement not to cooperate with any investigation or proceeding by any administrative or law enforcement or other governmental agency under this Chapter, or to otherwise seek or obtain a tenant's waiver of rights under this Chapter. Any waiver of rights by a tenant under this Chapter shall be void as contrary to public policy unless the tenant is represented by independent counsel and the waiver is approved in a Court supervised settlement agreement, or by a retired judge of the California Superior Court sitting as a mediator or arbitrator by mutual agreement of the tenant represented by independent counsel and the landlord. Any settlement agreement shall identify the judge, mediator, or arbitrator reviewing the settlement, all counsel representing the parties, and any other information as required by the Board. The landlord shall file a signed copy of the settlement agreement with the Board within ten days of execution. Unless otherwise required by the Board, the copy of the agreement filed with the Board shall redact the amount of payments to be made to tenants.

(f)(h) It shall be unlawful for a landlord to knowingly fail to disclose in writing to the buyer, prior to entering into a contract for the sale of any property consisting of two or more

1	residential units, the specific legal ground(s) for the termination of the tenancy of each
2	residential unit to be delivered vacant at the close of escrow.

- (g)(i) It shall be unlawful for a landlord/owner, when offering a property for sale in the City and County of San Francisco that includes two or more residential units, to knowingly fail to disclose in writing to any prospective purchaser:
- (1) The specific legal ground(s) for the termination of the tenancy of each residential unit to be delivered vacant at the close of escrow; and,
- (2) Whether the unit was occupied by an elderly or disabled tenant at the time the tenancy was terminated. For purposes of this <u>sSection 37.10A(g)(i)</u>, "elderly" means a tenant defined as elderly by <u>San Francisco</u> Administrative Code <u>Ssections</u> 37.9(i)(1)(A), 37.9A(e)(1)(C), 37.9A(e)(2)(D), or 37.9A(e)(3)(C), or a tenant defined as "senior" by San Francisco Subdivision Code <u>Ssection 1359(d)</u>. For purposes of this <u>sSection 37.10A(g)(i)</u>, "disabled" means a tenant defined as disabled by <u>San Francisco</u> Administrative Code <u>Ssections</u> 37.9(i)(1)(B)(i), 37.9A(e)(1)(C), 37.9A(e)(2)(D), or 37.9A(e)(3)(C), or by San Francisco Subdivision Code <u>Ssection 1359(d)</u>.

Any disclosure required by this  $\underline{s}$ -Subsection  $\underline{(g)}(i)$  that is made on a flier or other document describing the property which is made available to prospective purchasers at each open house and at any tour through the property will constitute compliance with the disclosure requirements of this  $\underline{s}$ -Subsection  $\underline{(g)}(i)$ .

(h)(j) Any person who violates Section 37.10A(a), (b), (c), (d), (c), (g), (g),

## SEC. 37.11A. CIVIL ACTIONS,

(a) Whenever a landlord charges a tenant a rent which exceeds the limitations set forth in this Chapter, retaliates against a tenant for the exercise of any rights under this Chapter, or attempts to prevent a tenant from acquiring any rights under this Chapter 37, the tenant may institute a civil proceeding for injunctive relief and/or money damages, and in cases where the landlord has charged an excessive rent in violation of Section 37.9B(a), injunctive relief and/or money damages of not less than three times the amount of excess rent collected; provided, however, that any monetary award for rent overpayments resulting from a rent increase which is null and void pursuant to Section 37.3(b)(5) shall be limited to a refund of rent overpayments made during the three-year period preceding the month of filing of the action, plus the period between the month of filing and the date of the court's order. In any case, calculation of rent overpayments and re-setting of the lawful base rent shall be based on a determination of the validity of all rent increases imposed since April 1, 1982, in accordance with Sections 37.3(b)(5) and 37.3(a)(2) above.

(b) Any organization with tax exempt status under 26 United States Code Section 501(c)(3) or 501(c)(4) that has a primary mission of protecting the rights of tenants in San Francisco may bring a civil action for injunctive relief and/or damages against a landlord who has wrongfully endeavored to recover, or has recovered, possession of a rental unit in violation of Section 37.9 and/or Section 37.10A, or who has collected excess rent in violation of Section 37.3(f). Before filing any action under this Section 37.11A(b), the organization shall first provide 30 days' written notice of its intent to initiate civil proceedings by serving a draft complaint on the City Attorney's Office and on any known address(es) of the affected make all reasonable efforts to inform the tenant(s) of the proposed action in writing, and may initiate civil proceedings under this Section 37.11A(b) only if neither the City Attorney's Office nor the tenant(s) have initiated civil proceedings by the end of the 30 day period. Such action shall be filed within three years after an affected tenant knew, or

1	through the exercise of reasonable diligence should have known, of the facts constituting the violation.
2	Any monetary award for rent overpayments shall be for two times any excess amounts of rent charged,
3	as well as any other sums reasonably expended to investigate and prosecute the claim, and shall be
4	limited to the three-year period preceding the month of filing of the action, plus the period between the
5	month of filing and the date of the court's order.
6	$\underline{(c)}$ The prevailing party in any civil action brought under this Section 37.11A shall be
7	entitled to recover reasonable attorneys' fees and costs. The remedy available under this
8	Section $\underline{37.11A}$ shall be in addition to any other existing remedies which may be available $\underline{+o}$
9	the tenant.
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11	Section 2. Effective Date. This ordinance shall become effective 30 days after

of Supervisors overrides the Mayor's veto of the ordinance.

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Section 3. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this ordinance or application thereof would be subsequently declared invalid or unconstitutional.

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

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1	Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
2	intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
3	numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
4	Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
5	additions, and Board amendment deletions in accordance with the "Note" that appears under
6	the official title of the ordinance.
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8	APPROVED AS TO FORM:
9	DENNIS J. HERRERA, City Attorney
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12	Deputy City Attorney
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