#### FILE NO. 170937

#### SUBSTITUTED 10/31/2017

[Administrative Code - Tenant Assistance Fund for Hazardous Housing]

Ordinance amending the Administrative Code to establish the Tenant Assistance Fund for Hazardous Housing and to allow certain eligible tenants displaced due to administrative orders to vacate issued by the Department of Building Inspection or the Fire Department to receive financial assistance from the Fund for up to two years.

NOTE: Unchanged Code text and uncodified text are in plain Arial font.
 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>.
 Board amendment additions are in <u>double-underlined Arial font</u>.
 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.

(a) The City and County of San Francisco is committed to promoting the life safety of all residents, and access to secure and affordable housing for all.

(b) Enforcement of State law and the City's Building and Fire Codes is essential to ensure that the City's housing stock meets health and safety standards. These laws charge the Fire Department and Department of Building Inspection, among other City agencies, with inspecting properties for hazardous conditions, citing code violations, conducting administrative hearings, and ordering abatement. The City aims in a number of ways to assist building owners and others responsible for building safety with bringing housing up to code. Code enforcement agencies often conduct series of inspections and administrative hearings, at which property owners and other interested parties may avail themselves of an opportunity to be heard, and to convey plans for abatement. The Mayor's Nuisance Abatement Revolving

Mayor; Supervisors Safaí, Ronen BOARD OF SUPERVISORS Loan Fund, established in Section 10.100-118 of the Administrative Code, provides loans to building owners to help defray the cost of repairs and improvements needed to abate code violations.

(c) Where responsible parties fail to abate hazards to health or life safety, State and local laws place upon City code enforcement agencies the responsibility to order evacuation to remove tenants from harm's way until the hazards have been addressed.

(d) The State recognizes the hardships associated with displacement stemming from such orders. The California Health and Safety Code, Sections 17975 et seq., provides a Tenant Relocation Assistance program that entitles tenants who are subject to such orders through no fault of their own and otherwise deemed eligible by a local code enforcement agency, to a sum equal to two months of the fair market rent for the area plus an amount sufficient for utility service deposits, as well as return of any security deposit, all payable by the building owner or designated agent within 10 days from posting of the order to vacate. Where there are fewer than 10 days between posting and the vacation date, payment is due within 24 hours of the order's posting. Building owners or designated agents are entitled to an appeals process to challenge such eligibility determinations. In addition, the State program contemplates that the remedy it offers is cumulative of and in addition to others that may be made available under state, federal, or local law.

(e) Housing in San Francisco is both scarce and expensive, and San Francisco faces a housing shortage among the most acute in the State and the country. Further, some of San Francisco's most vulnerable residents live in conditions that are deplorable, dangerous, and life-threatening. In San Francisco, two months' worth of assistance at the owner's expense for tenants displaced as a result of code enforcement that is necessary to ensure life safety is inadequate to counter the cost of displacement.

Mayor; Supervisors Safaí, Ronen BOARD OF SUPERVISORS (f) Thus a local remedy in addition to the State program, as provided for in this ordinance, would better enable the City to address the unique challenges of tackling unsafe housing in San Francisco. The City must not turn a blind eye to hazardous housing conditions, and therefore must rigorously enforce code provisions designed to ensure life safety in housing. But it must also seek to mitigate the collateral impact of upholding housing safety on its most vulnerable residents through code enforcement efforts that result in their displacement. To do so, such residents must have access to immediate assistance, as well as continued assistance for the time it takes to help them achieve greater housing security given San Francisco's unique conditions. The City therefore has an interest in holding accountable building owners, their designees, and other parties who are responsible for the City's housing stock and for the unlawful conditions that endanger tenants and at times necessitate their displacement.

Section 2. The Administrative Code is hereby amended by adding Section 10.100-343, to read as follows:

### SEC. 10.100-343. TENANT ASSISTANCE FUND FOR HAZARDOUS HOUSING.

(a) Establishment of Fund. The Tenant Assistance Fund for Hazardous Housing (the "Fund") is established as a category six fund to receive any monies appropriated or donated for the purpose of assisting tenants displaced from their residences by administrative orders to vacate by the Department of Building Inspection and/or the Fire Department ("City code enforcement agency"), as set forth in this Section 10.100-343. Donations to the Fund are deemed approved for acceptance and expenditure without further approval by the Board of Supervisors.

(b) Use of Fund. The Fund shall be used exclusively by the Director or his or her designee of the Human Services Agency or any successor agency ("HSA Director") to provide assistance to tenants who are vacating or have vacated their residences to comply with an administrative order to

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vacate issued within the past seven days by a City code enforcement agency as a result of Building and/or Fire Code violations. The HSA Director may utilize the Fund to assist tenants, or households thereof, so qualified, earning up to 100% of the Area Median Income, and otherwise deemed eligible in accordance with this subsection (b) ("Eligible Tenants"). Disbursements from the Fund are entirely in the HSA Director's lawful discretion and there is in no circumstance a right to any payment under this Section.

(1) The HSA Director shall authorize disbursements to Eligible Tenants on a case-bycase basis in accordance with HSA policy as adopted pursuant to subsection (c). In administering this Section, the HSA Director shall seek the input of code enforcement agencies and other City authorities as the HSA Director deems appropriate. The HSA Director may revise these case-by-case decisions as necessary or appropriate to take into account evolving circumstances.

(2) For an Eligible Tenant of a residential rental unit that has been occupied by the tenant for at least 32 continuous days including the day an applicable order to vacate is issued, and where the tenant has paid rent, the HSA Director may provide a rental assistance payment of up to 100% of the current established fair market rent for the area, as determined by the Department of Housing and Urban Development pursuant to Section 1437f of Title 42 of the United States Code, as that Section may be amended in the future, plus an amount that the HSA Director determines is sufficient for utility service deposits, less the amount of rent that the eligible tenant was paying in the residence from which he/she has to vacate. The HSA Director may make rental assistance payments from the Fund on a per residential unit basis for up to either (A) two years per unit, or (B) the time when all department(s) that ordered the unit vacated have deemed it habitable, whichever occurs first. The HSA Director shall authorize disbursements to an Eligible Tenant for an initial duration not to exceed six months. At the conclusion of the initial duration for authorized disbursements, whether it is six months or less, the circumstances of the Eligible Tenant shall be reassessed, and continued assistance may be authorized, subject to the durational limits set forth in this subsection (b)(2).

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(c) Administration of Fund. Within 60 days of the effective date of the ordinance in Board File No. 170937 creating the Fund, the HSA Director shall adopt a policy for implementation of this Section 10.100-343, which the HSA Director may modify from time to time as the HSA Director deems necessary or appropriate.

(d) Annual Report. The HSA Director shall submit an annual written report to the Mayor, the Board of Supervisors, and the Controller within the first two weeks of July, showing for the prior fiscal year donations received, the nature and amount of such donations, and the disposition thereof, together with a description of the individual payments made from the Fund.

Section 3. The Administrative Code is hereby amended by adding Chapter 80A, entitled "Orders to Vacate Due to Hazardous Housing Conditions," consisting of Sections 80A.1 through 80A.4, to read as follows:

# CHAPTER 80A: ORDERS TO VACATE DUE TO HAZARDOUS HOUSING CONDITIONS

# <u>SEC.80A.1. OWNER'S OBLIGATION TO ABATE NUISANCES AND NOTIFY</u> <u>TENANTS.</u>

(a) Nuisance Abatement. Each condition of property in violation of State law or the San
Francisco Municipal Code contributing to a hazardous housing condition that leads the Fire
Department and/or the Department of Building Inspection ("City code enforcement agency") to issue
an order to vacate constitutes a nuisance, which may be summarily abated by the City at the expense of
the persons creating, causing, committing, or maintaining the nuisance. Nuisance abatement shall
include City activities under either this Chapter 80A or Section 10.100-343 of the Administrative Code,
or both, including disbursements from the Tenant Assistance Fund for Hazardous Housing established
in Section 10.100-343 (the "Fund"), administration of the Fund, and delivery of services to tenants

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displaced by hazardous conditions. Each such person who has created, caused, committed, or maintained such a condition shall promptly reimburse the City all costs it incurs under this Chapter 80A and Section 10.100-343, as determined by the Director of the Department of Building Inspection or his or her designee ("DBI Director"), upon being notified of such costs. The DBI Director shall timely notify the owner of the HSA Director's determination of the owner's responsibility, and amounts owed to the City. The Controller shall deposit any funds the City collects or is reimbursed under this Chapter 80A into the Fund.

(b) Notification to Tenants. The owner of a building subject to an administrative order to vacate shall, upon issuance of such order, make a good-faith effort to notify each tenant or family thereof verbally and in writing, in the first language of the tenant or family, of (1) the order to vacate's contents and meaning; and (2) the contents of this Chapter 80A and Section 10.100-343.

### SEC. 80A.2. RECOVERY OF COSTS.

Where an owner or other responsible party fails within 15 days of the City's demand to reimburse the City for the nuisance abatement costs specified in Section 80A.1(a), the City Attorney may commence an action to recover such costs, and to pursue other recovery and relief as provided for elsewhere in State and City law. The City may also or in the alternative, pursuant to Administrative Code Section 10.230, impose a nuisance abatement lien to collect abatement and related administrative costs. Money recovered shall be used to cover City expenses, including litigation costs, and any additional funds recovered shall be deposited in the Fund.

### SEC. 80A.3. PENALTIES.

Where an owner is subject to a second HSA Director's determination of responsibility under Section 80A.1(a) within two years, for either the same building or a different building, the owner shall owe to the City double its nuisance abatement costs under the HSA Director's second determination. Where the owner is subject to a third HSA Director's determination within two years, the owner shall owe to the City treble its nuisance abatement costs under the HSA Director's third determination. For

Mayor; Supervisors Safaí, Ronen BOARD OF SUPERVISORS purposes of this Section 80A.3, an "owner" includes a person or entity responsible for a building, as well as any person, agent, firm, or corporation holding a 10% or greater legal or beneficial interest in said person or entity.

### SEC. 80A.4. CITY'S ADDITIONAL OBLIGATIONS.

The Human Services Agency shall provide case management services, including information and/or referrals for accessing housing programs and/or supportive services in the Bay Area, to tenants who have been displaced following an order to vacate as a result of hazardous housing conditions.

Section 4. Undertaking for the General Welfare. In enacting and implementing this ordinance, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

Section 5. 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.

Section 6. No Conflict with Federal or State Law. Nothing in this ordinance shall be interpreted or applied so as to create any requirement, power, or duty in conflict with any federal or state law.

Section 7. 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.

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

By: ZA NEHA GUPTA Deputy City Attorney

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# City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Ordinance

File Number: 170937

Date Passed: January 09, 2018

Ordinance amending the Administrative Code to establish the Tenant Assistance Fund for Hazardous Housing and to allow certain eligible tenants displaced due to administrative orders to vacate issued by the Department of Building Inspection or the Fire Department to receive financial assistance from the Fund for up to two years.

December 07, 2017 Budget and Finance Committee - REFERRED

December 11, 2017 Rules Committee - RECOMMENDED AS COMMITTEE REPORT

December 12, 2017 Board of Supervisors - PASSED ON FIRST READING

Ayes: 10 - Breed, Cohen, Farrell, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee Excused: 1 - Fewer

January 09, 2018 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 170937

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/9/2018 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

Acting Mayor London Breed

**Date Approved**