FILE NO. 051031   ORDINANCE NO.

1 [Requiring additional reporting and recordkeeping by residential hotels and authorizing
   additional inspections.]
2

3 **Ordinance amending the San Francisco Administrative Code by amending**

4 **Section 41.9, to require additional reporting and recordkeeping by residential hotels**

5 **and establishing additional inspection authority to ensure compliance with California**

6 **Civil Code Section 1940.1.**

7   Note: Additions are *single-underline italics Times New Roman*;
                     deletions are *strikethrough italics Times New Roman*.
8   Board amendment additions are <u>double underlined</u>.
                     Board amendment deletions are ~~strikethrough normal~~.
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10   Be it ordained by the People of the City and County of San Francisco:

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12   Section 1. Findings. There is a severe ~~storage~~ <u>shortage</u> of decent, safe, sanitary and

13 affordable rental housing in the City and County of San Francisco and this shortage affects

14 most severely the elderly, the disabled and low-income persons. Many elderly, disabled and

15 low-income persons and households reside in residential hotel units. This housing

16 emergency exists and is further exacerbated by the practice commonly referred to as "musical

17 rooms" wherein the owners and managers of residential hotels require occupants to move, or

18 to check out and reregister, before the 30th day of occupancy in order to deny them the

19 substantive tenant rights that apply after the 30th day in violation of Civil Code Section 1940.1.

20 This unlawful practice causes repeated disruption and dislocation to a disadvantaged sector

21 of the population resulting in untold hardship. Many residential hotel occupants report

22 sleeping on the streets or in homeless shelters during times in which they are forced out of the

23 hotel and before they are allowed reoccupancy. Often, this dislocation results in loss or

24 damage of what little personal belongings these individuals own. On a larger scale, this

25 practice increases homelessness, both in the short and long-term, has a profound effect on

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1   low-income, disabled and elderly tenants, and fosters instability within the community.

2   Curtailing this unlawful practice will permit occupants of residential hotels to acquire tenancy

3   rights, not just under State law, but also under the San Francisco Residential Rent

4   Stabilization and Arbitration Ordinance, includes those related to habitability and evictions.

5   In recognition that residential hotels are often a stopgap measure to many individuals,

6   the State Legislature passed Assembly Bill 2867 "to protect what little stability and security

7   that is affordable and available to these downtrodden members of society," whose sole

8   alternative is often homelessness. Assembly Bill 2867, in part, amended Civil Code Section

9   1940.1 to include subsection (c) which states: "Nothing in this section shall prevent a local

10 governing body from establishing inspection authority or reporting or recordkeeping

11 requirements to ensure compliance with this section."

12

13   Section 2. Chapter 41 of the San Francisco Administrative Code is hereby amended

14 by amending Section 41.9 to read as follows:

15 **SEC. 41.9. RECORDS OF USE.**

16   (a)   Daily Log. Each residential hotel shall maintain a daily log containing the status

17 of each room, whether it is occupied or vacant, whether it is used as a residential unit or

18 tourist unit ~~and~~ the name under which each adult occupant is registered*, and the amount of rent*

19 *charged*. Each hotel shall also provide receipts to each adult occupant, and maintain copies of

20 receipts, showing: the room number; the name of each adult occupant; the rental amount and

21 period paid for; and any associated charges imposed and paid, including but not limited to

22 security deposits *and any tax*. The daily log *and copies of rent receipts* shall be available for

23 inspection pursuant to the provision of Section 41.11(c) of the Chapter upon demand by the

24 Director of the Department of Building Inspection or the Director's designee *or the City*

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1 *Attorney's Office* between the hours of 9 a.m. and 5 p.m., Monday through Friday unless the

2 Director of the Department of Building Inspection ~~and~~ *or* the City Attorney's Office reasonably

3 believe that further enforcement efforts are necessary for specified residential hotels, in which

4 case the Department of Building Inspection *or the City Attorney's Office* shall notify the

5 residential hotel owner or operator that the daily logs *and copies of rent receipts* shall be

6 available for inspection between the hours of 9 a.m. and 7 p.m. *Each hotel shall maintain the*

7 *daily logs and copies of rent receipts for a period of no less than 24 months.*

8 *In addition to the investigative powers and enforcement mechanisms prescribed in this Chapter,*

9 *the City Attorney's Office shall have the authority to take further investigative action and bring*

10 *additional enforcement proceedings including the immediate filing of a civil action, to address*

11 *violations of California Civil Code Section 1940.1.*

12 (b) Weekly Report. Following the initial determination, an owner or operator of

13 residential units shall post on each Monday before 12 noon the following information:

14 (1) The number of tourist units to which the owner or operator is currently entitled

15 and the date the certificate of use was last issued;

16 (2) The number of guest rooms which were used as tourist units each day of the

17 preceding week. Evidence of compliance with requirements imposed hereunder shall be

18 preserved by the owner or operator for a period of not less than two years after each posting

19 is required to be made. The owner or operator shall permit the Director of the Department of

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1 Building Inspection or his designee to inspect the hotel records and other supporting evidence

2 to determine the accuracy of the information posted.

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

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8 By: _____
   NELI N. PALMA
9 Deputy City Attorney

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