File No. <u>191105</u>

Committee Item No.2Board Item No.2-7

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date	Date December 2, 2019						
Date	121	10	12019				

Board of Supervisors Meeting

Cmte Board

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OTHER	(Use back side if additional space is i	needed)
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Comulated	bu Victor Voupa	Data Nov 26 2010
Completed	by:Victor Young	_ Date <u>Nov. 26, 2019</u> Date /2/10

FILE NO. 191105

SUBSTITUTED 11/12/2019 ORDINANCE NO.

[Administrative Code - Extending Eviction Control to Units Constructed After 1979] Ordinance amending the Administrative Code to apply eviction controls to units that are exempt from rent increase limitations because they first received a certificate of occupancy after June 13, 1979, or have undergone a substantial rehabilitation; clarifying the law's application to units with pending notices to vacate; extending the City's current residential rental unit fee to these units; making non-substantive, technical changes; and making findings as required by the Tenant Protection Act of 2019.

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.

(a) This ordinance is intended to bring units with a certificate of occupancy after June 13, 1979, under the eviction protections of the City's Residential Rent Stabilization and Arbitration Ordinance (the "Rent Ordinance"). As compared to the Tenant Protection Act of 2019 (Assembly Bill No. 26 (Chiu), hereafter "AB 1482"), the Rent Ordinance further limits the reasons for termination of a residential tenancy, provides for higher relocation assistance amounts, and provides additional tenant protections. The Board of Supervisors therefore

Supervisors Haney; Fewer, Ronen, Walton BOARD OF SUPERVISORS

2 Ordinance (as hereby amended) shall apply to these units rather than AB 1482. 3 (b) The eviction protections of the Rent Ordinance are intended to keep families with a roof over their heads and are an important tool to combat the City's affordable housing crisis. 4 5 However, community members and tenant advocates have seen a sudden increase in no-6 cause eviction notices to tenants living in units with a certificate of occupancy after June 13. 7 1979. In many cases, it appears these eviction notices were triggered by the adoption of AB 1482, and that these landlords are trying to evict simply in order to evade tenant protections 8 9 before they go into effect. Arbitrary evictions severely and irreparably harm tenants, and also worsen the City's housing crisis, so there is an compelling need to ensure that the tenant 10

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Section 2. The Administrative Code is hereby amended by revising Sections 37.2, 37.3, 37.9A, 37.9D, 37.10A, and 37.10B, to read as follows:

finds that this ordinance is more protective than AB 1482, and intends that the Rent

SEC. 37.2. DEFINITIONS.

protections of the Rent Ordinance apply to these units.

* * * *

(r) **Rental Units.** All residential dwelling units in the City and County of San Francisco together with the land and appurtenant buildings thereto, and all housing services, privileges, furnishings and facilities supplied in connection with the use or occupancy thereof, including garage and parking facilities.

The term "rental units" shall not include:

(4) Except as provided in subsections (A), (B) and (C), dwelling units whose rents are controlled or regulated by any government unit, agency or authority, excepting those

unsubsidized and/or unassisted units which are insured by the United States Department of Housing and Urban Development; provided, however, that units in unreinforced masonry buildings which have undergone seismic strengthening in accordance with Building Code Chapters 16B and 16C shall remain subject to the Rent Ordinances to the extent that the ordinance is not in conflict with the seismic strengthening bond program or with the program's loan agreements or with any regulations promulgated thereunder;

(C) The term "rental units" shall include units in a building for which tax credits are reserved or obtained pursuant to the federal low income housing tax credit program (LIHTC, Section 42 of the Internal Revenue Code, 26 U.S.C. Section 42), that satisfy the following criteria:

(i) Where a tenant's occupancy of the unit began before the applicable LIHTC regulatory agreement was recorded; and,

(ii) Where the rent is not controlled or regulated by any use restrictions
imposed by the City and County of San Francisco, the San Francisco Redevelopment
Agency, the State of California Office of Housing and Community Development, or the United
States Department of Housing and Urban Development.

Nothing in this Section 37.2(r)(4)(C) precludes a landlord from seeking an exemption from rent regulation on the basis of substantial rehabilitation under Section $\frac{37.2(r)(6)-37.3(g)}{2}$.

development agreement entered into by the City under San Francisco Administrative Code Chapter 56; and (C) except as provided for foreclosed units and dwellings by Section 37.9D.

— (6) Dwelling units in a building which has undergone substantial rehabilitation after the effective date of this ordinance; provided, however, that RAP rental units are not subject to this exemption; and except as provided for foreclosed units and dwellings by Section 37.9D.

----- (7) — Dwellings or units otherwise subject to this Chapter 37, to the extent such dwellings or units are partially or wholly exempted from rent increase limitations by the Costa-Hawkins Rental Housing Act (California Civil Code Sections 1954.50, et seq.) and/or San Francisco Administrative Code Section 37.3(d).

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<u>s</u> 37.3(d) <u>and 37.3(g)</u>:

(g) New Construction and Substantial Rehabilitation.

(1) An owner of a residential dwelling or unit which is newly constructed and first received a certificate of occupancy after the effective date of Ordinance No. 276-79 (June 13, 1979), or which the Rent Board has certified has undergone a substantial rehabilitation, may establish the initial and all subsequent rental rates for that dwelling or unit, except:

(A) where rent restrictions apply to the dwelling or unit under Sections 37.3(d) or

<u>37.3(f);</u>

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(B) where the dwelling or unit is a replacement unit under Section 37.9A(b);

(C) as provided for certain categories of Accessory Dwelling Units under Section 37.2(r)(4)(D); and

(D) as provided in a development agreement entered into by the City under Administrative Code Chapter 56.

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.

(b) **Treatment of Replacement Units.** If one or more units covered by Subsection (a) is demolished, and one or more new units qualifying as rental units under this Chapter but for the date on which they first receive a certificate of final completion and occupancy are constructed on the same property, and offered for rent or lease within five years of the date the last of the original units became vacant, the newly constructed units shall be offered at rents not greater than those reasonably calculated to produce a fair and reasonable return on the newly constructed units, notwithstanding Section 37.2(r)(5) 37.3(g) or any other provision of this Chapter. The provisions of this Chapter shall thereafter apply. The Board shall adopt rules for determining the rents necessary to provide a fair and reasonable return.

* * * *

SEC. 37.9D. FORECLOSURE EVICTIONS.

(b) Any residential tenant who was in possession of a rental unit at the time of foreclosure, where that dwelling or unit is otherwise exempted from the eviction control provisions of

Chapter 37 by Sections 37.2(r)(5), (6) or (7), may not be evicted by the person or entity who took title through foreclosure (see Section 37.9D(a)), except for just cause as provided in Section 37.9 and related provisions of Chapter 37, or at the end of the tenant's existing lease, whichever occurs later.

SEC. 37.10A. MISDEMEANORS, AND OTHER ENFORCEMENT PROVISIONS.

(i) It shall be unlawful for a landlord to endeavor to recover possession of a rental unit *that is exempt from rent increase limitations under Section 37.3(d) or Section 37.3(g) as defined in Section 37.2(r)(7)* by means of a rent increase that is imposed in bad faith with an intent to defraud, intimidate, or coerce the tenant into vacating the rental unit in circumvention of Section 37.9(a), 37.9A, 37.9B, or 37.9C. Evidence of bad faith may include but is not limited to the following: (1) the rent increase was substantially in excess of market rates for comparable units; (2) the rent increase was within six months after an attempt to recover possession of the unit; and (3) such other factors as a court or the Rent Board may deem relevant.

SEC. 37.10B. TENANT HARASSMENT.

(a) No landlord, and no agent, contractor, subcontractor or employee of the landlord, shall do any of the following, in bad faith or with ulterior motive or without honest intent:

(5) Influence or attempt to influence a tenant to vacate a rental housing unit through fraud, intimidation or coercion; for example and without limitation, by endeavoring to recover possession of a rental unit <u>that is exempt from rent increase limitations under Section</u>

4.

<u>37.3(d) or Section 37.3(g)</u> as defined in Section 37.2(r)(7) by means of a rent increase that is imposed with an intent to defraud, intimidate, or coerce the tenant into vacating the rental unit in circumvention of Section 37.9(a), 37.9A, 37.9B, or 37.9C, in which case evidence of bad faith may include but is not limited to the following: (1) the rent increase was substantially in excess of market rates for comparable units; (2) the rent increase was within six months after an attempt to recover possession of the unit; and (3) such other factors as a court or the Rent Board may deem relevant.

Section 3. The Administrative Code is hereby amended by revising Section 37A.1, to read as follows:

SEC. 37A.1. SCOPE.

This Chapter is applicable to all residential units in the City and County of San Francisco, including residential units which are exempt from the rent increase limitation provisions (but not other provisions) of Chapter 37 pursuant to the Costa-Hawkins Rental Housing Act (Civil Code §§ 1954.50. et seq.) and/or San Francisco Administrative Code Section 37.3(d). For purposes of this Chapter, "residential units" are dwelling units and guest rooms as those terms are defined in Sections 400 and 401 of the San Francisco Housing Code. The term shall not include:

(f) Any dwelling unit which is occupied by an owner of record on either a full-time or part-time basis and which is not rented at any time, provided that the owner file with the Tax Collector an affidavit so stating;

(g) Dwelling units located in a structure for which a certificate of final completion and occupancy was first issued by the Bureau of Building Inspection after June 13, 1979, except that any

Supervisors Haney; Fewer, Ronen BOÁRD OF SUPERVISORS such units shall be subject to this Chapter 37A if so designated in a development agreement entered into by the City under Chapter 56 of the San Francisco Administrative Code;

(h) Dwelling units in a building which, after June 13, 1979, has undergone substantial rehabilitation as that term is defined in Chapter 37 of this Code.

Section 4. 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.

Section 5. Applicability. The provisions of Section 2 of this ordinance that extend just cause requirements to dwelling units that were previously exempt from such requirements under Administrative Code Sections 37.2(r)(5) and 37.2(r)(6) are intended to apply as of the ordinance's effective date to all such units, including those units where a notice to vacate or quit has been served as of the effective date but where the unit has not yet been vacated or an unlawful detainer has not yet been issued. The sole intent is to regulate the substantive bases for eviction from these units. This ordinance shall not be construed as having any effect on the unlawful detainer process, or as affecting the validity of a notice to vacate or quit that a landlord may have served prior to the effective date, or as giving a tenant a procedural defense in an unlawful detainer proceeding.

Section 6. 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

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additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

Section 7. 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.

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

By:

MANU PRADHAN Deputy City Attorney n:\legana\as2019\1900552\01405661.docx

REVISED LEGISLATIVE DIGEST

(Substituted, 11/12/2019)

[Administrative Code - Extending Eviction Control to Units Constructed After 1979]

Ordinance amending the Administrative Code to apply eviction controls to units that are exempt from rent increase limitations because they first received a certificate of occupancy after June 13, 1979, or have undergone a substantial rehabilitation; clarifying the law's application to units with pending notices to vacate; extending the City's current residential rental unit fee to these units; making non-substantive, technical changes; and making findings as required by the Tenant Protection Act of 2019.

Existing Law

The Rent Ordinance (Administrative Code Chapter 37) limits rent increases and imposes eviction controls on covered rental units in the City, but exempts various categories of units, including (1) units that were newly constructed after June 13, 1979, and (2) units that have undergone a substantial rehabilitation since June 13, 1979. These categories of units are also exempt from the Residential Rent Stabilization and Arbitration Fee (Administrative Code Chapter 37A), which is imposed annually on certain rental units to recover the Rent Board's costs to administer and enforce the Rent Ordinance.

Amendments to Current Law

The ordinance would make newly constructed units and units that have undergone substantial rehabilitation subject to Chapter 37 eviction controls and the Rent Board fee. However, these units would retain their existing exemption from rent increase limitations (see Costa-Hawkins, California Civil Code Section 1954.52(a)).

Background Information

In addition to subjecting newly constructed and substantially rehabilitated units to eviction controls, the ordinance also makes non-substantive changes to clarify the Rent Ordinance exemption that pertains to single-family homes and condominiums (Admin. Code § 37.2(r)(7)). Units that qualify for this exemption are "partially" exempt in that they are exempt from the rent increase limitations only, and remain subject to eviction controls and Rent Board fee. The ordinance is not intended to change how the eviction controls and fee apply to these units.

This version of digest corresponds with a substitute ordinance introduced on November 12, 2019, that added language stating that the eviction controls will apply as of the ordinance's effective date to all covered units, including those where the landlord has served a notice to vacate or quit as of the effective date but where the eviction is not yet complete.

FILE NO. 191105

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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:

Dan Adams, Acting Director, Mayor's Office of Housing and Community Development

Barbara Smith, Executive Director, Housing Authority Robert Collins, Executive Director, Rent Board Theo Miller, Director, HOPE SF Jeff Kositsky, Director, Department of Homelessness and Supportive Housing

Vito Voud

FROM: Victor Young, Assistant Clerk Rules Committee

DATE: November 6, 2019

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee received the following proposed legislation on October 29, 2019:

File No. 191105

Ordinance amending the Administrative Code to apply eviction controls to units that are exempt from rent increase limitations because they first received a certificate of occupancy after June 13, 1979, or have undergone a substantial rehabilitation; extending the City's current residential rental unit fee to these units; making non-substantive, technical changes; and making findings as required by the Tenant Protection Act of 2019.

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: victor.young@sfgov.org.

c: Eugene Flannery, MOHCD Cindy Gamez, Housing Authority Dariush Kayhan, Housing Authority Linda Martin-Mason, Housing Authority Barbara Amaro, HOPE SF Dylan Schneider, Department of Homelessness and Supportive Housing Abigail Stewart-Kahn, Department of Homelessness and Supportive Housing 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

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO RULES COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Rules Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date:	Monday, December 2, 2019
Time:	10:00 a.m.
Location: ·	Committee Room 263, located at City Hall 1 Dr. Carlton B. Goodlett Place, San Francisco, CA
Subject:	File No. 191105. Ordinance amending the Administrative Code to apply eviction controls to units that are exempt from rent increase limitations because they first received a certificate of occupancy after June 13, 1979 or have undergone a substantial rehabilitation; clarifying the law's application to units with pending notices to vacate; extending the City's current residential rental unit fee to these units; making non-substantive,

technical changes: and making findings as required by the Tenant

Protection Act of 2019. If the legislation passes, the City's current residential rental unit fee, imposed under Administrative Code, Chapter 37A, shall apply to units that were previously exempt from the fee

because they first received a certificate of occupancy after June 13, 1979, or have undergone a substantial rehabilitation.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter can be found in the Legislative Research Center at <u>sfgov.legistar.com/legislation</u>. Meeting agenda information relating to this matter will be available for public review on Wednesday, November 27, 2019.

- CAGALATIA

Angela Calvillo, Clerk of the Board

DATED/POSTED: November 22, 2019 PUBLISHED: November 22, 2019 and November 29, 2019

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SAN FRANCISCO BOARD OF SUPERVISO CCSF BD OF SUPERVISORS (OFFICIAL NOTICES) 1 DR CARLTON B GOODLETT PL #244 SAN FRANCISCO, CA 94102

COPY OF NOTICE

GPN GOVT PUBLIC NOTICE Notice Type:

date below. Publication date(s) for this notice is (are):

Ad Description vy Rules Committee 12/02/19

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last

11/22/2019, 11/29/2019

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

Publication Total

\$580.50 \$580.50

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EXM# 3317453

NOTICE OF PUBLIC

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRAN-CISCO RULES COMMITTEE MONDAY, DECEMBER 2, 2019 - 10:00 AM CITY HALL, COMMITTEE ROOM 263, 1 DR. CARLTON B. GOODLETT PLACE SAN FRANCISCO, CA NOTICE IS HEREBY GIVEN THAT the Rules COmmittee will hold a public hearing to consider the following proposal and said public

THAT the Rules Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: File No. 191105. Ordinance amending the Administrative Code to apply eviction controls to units that are exempt from rent increase limitations because they first received a certificate of occupancy after June 13, 1979, or have undergone a substantial rehabilitation; clarifying the law's applica-tion to units with pending notices to vacate; extending rental unit fee to these units; making non-substantive, technical changes; and making findings as required by the Tenant Protection Act of 2019. If the legislation passes, the City's current residential rental unit fee, imposed under Administrative Code, Chapter 37A, shall apply to exempt from the fee because they first received a certificate of occupancy after June 13, 1979, or have undergone a substantial rehabilitation. In accordance with Adminis-trative Code, Section 67.7-1,

undergone a substantial rehabilitation. In accordance with Adminis-trative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Cartlon B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter can be found in the Legislative Research Center at

sfgov.legistar.com/legislation . Meeting agenda information relating to this matter will be

available for public review on Wednesday, November 27, 2019. Angela Calvillo, Clerk of the Board

Print Form			•	
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I hereby submit the following item for	introduction	(select only one):	2019 NOV 12 av	Prime stangp or meeting date
1. For reference to Committee. (A	An Ordinance	, Resolution, Motion or C	harter Amendme	nt).
2. Request for next printed agenda	a Without Re	ference to Committee.	· · · -1-	a et 17 - een
3. Request for hearing on a subject	t matter at Co	ommittee.		
4. Request for letter beginning :"S	Supervisor			inquiries"
5. City Attorney Request.	<u>lur</u> .			Name (a series of the second se
6. Call File No.		from Committee.	•	
7. Budget Analyst request (attache	ed written mo	otion).	•	
8. Substitute Legislation File No.	191105		-	
9. Reactivate File No.	<u> </u>	······································		
10. Topic submitted for Mayoral 2	Appearance b	efore the BOS on		
X				
Please check the appropriate boxes.	The propose	d legislation should be for	warded to the fol	lowing:
Small Business Commission		Youth Commission	Ethics C	ommission
Planning Comm	ission	Building Ins	spection Commis	sion
Note: For the Imperative Agenda (a	resolution n	ot on the printed agenda	a), use the Imper	ative Form.
Sponsor(s):				
Haney; Fewer, Ronen				
Subject:				
[Administrative Code - Extending Ev	iction Contro	l to Units Constructed Af	ter 1979]	
The text is listed:				
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