

[Requiring just cause for eviction from residential properties owned by specified lenders after foreclosure.]

**Ordinance adding Administrative Code Chapter 37B "Eviction of Residential Tenants by Foreclosing Lender," to provide just cause eviction protections for existing residential tenants after foreclosure, and require that notice of this Chapter be given to residential tenants of the property.**

NOTE: Additions are single-underline italics Times New Roman;  
deletions are ~~strike-through italics Times New Roman~~.  
Board amendment additions are double-underlined;  
Board amendment deletions are ~~strikethrough normal~~.

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

Section 1. The San Francisco Administrative Code is hereby amended by adding Chapter 37B, to read as follows:

**CHAPTER 37B. EVICTION OF RESIDENTIAL TENANTS BY FORECLOSING LENDER.**

**Section 37B.1. This Chapter 37B is applicable to all residential rental dwellings and units ("Properties") where a lender becomes the owner of the Property after the lender foreclosures, except for:**

**(a) Guest rooms exempted or excluded from regulation under Chapter 41 of this Code;**

**(b) Dwelling units in nonprofit cooperatives owned, occupied and controlled by a majority of the residents or dwelling units solely owned by a nonprofit public benefit corporation governed by a board of directors the majority of which are residents of the dwelling units and where it is required in the corporate by-laws that rent increases be approved by a majority of the residents;**

**(c) Housing accommodations in any hospital, convent, monastery, extended care facility, asylum, residential care or adult day health care facility for the elderly which must be operated**

1 pursuant to a license issued by the California Department of Social Services, as required by California  
2 Health and Safety Chapters 3.2 and 3.3, or in dormitories owned and operated by an institution of  
3 higher education, a high school, or an elementary school;

4 (d) Dwelling units whose rents are controlled or regulated by any government unit, agency or  
5 authority, excepting those units which are subject to the jurisdiction of the Residential Rent  
6 Stabilization and Arbitration Board.

7 Section 37B.2. Definitions.

8 (a) Foreclosure is defined for purposes of this Chapter 37B as the reversion or transfer of title  
9 to a Property to a lender, mortgagee, or beneficiary of a deed of trust, or an agent thereof, in full or  
10 partial satisfaction of a defaulted obligation secured by the real property that is subject to the  
11 foreclosure.

12 (b) Lender is defined for purposes of this Chapter 37B as a lender, mortgagee, or beneficiary of  
13 a deed of trust, or an agent thereof, of a defaulted obligation where the document securing the  
14 obligation was recorded between January 1, 2003 and December 31, 2009.

15 Section 37B.3. A lender who obtains title through foreclosure to a residential property  
16 containing a rental unit or rental units may not endeavor to recover possession of a rental unit on the  
17 property from a tenant whose tenancy commenced on or before the date that the lender obtained title,  
18 except in compliance with the just cause grounds for eviction stated in Administrative Code Section  
19 37.9, including the no-fault eviction relocation payment provisions of Section 37.9A and 37.9C, and  
20 including the enforcement provisions (see Administrative Code Sections 37.9(a) and (c)). These just  
21 cause eviction protections do not apply to any subsequent owners or tenants of the property.

22 Section 37B.4. Within 30 days after foreclosure of a residential property subject to this  
23 Chapter, the lender who takes title must provide to the tenant or tenants in the property notice of their  
24 rights under this Chapter.

25 (a) The notice shall be in the following form in bold type of at least 14 points:

1            **NOTICE UNDER SAN FRANCISCO ADMINISTRATIVE CODE SECTION 37B.4.**

2            **To all tenants residing at: \_\_\_\_\_ (property address).**

3            **Date: \_\_\_\_\_.**

4            **The lender named below obtained title through foreclosure to the property in which you**  
5 **reside, on: \_\_\_\_\_.**

6            **You are hereby advised that under San Francisco Administrative Code Section 37B you may**  
7 **not be evicted by this lender from the rental unit in which you reside unless the lender has a just**  
8 **cause for eviction under Section 37.9(a) of the San Francisco Administrative Code.**

9            **Additional information on your tenant rights under Chapter 37B is available from the San**  
10 **Francisco Residential Rent Stabilization and Arbitration Board, 25 Van Ness Avenue, San**  
11 **Francisco, California.**

12           **Name of lender and contact telephone number: \_\_\_\_\_.**

13           **(b) Notice required by this section shall be provided either by both posting a copy of the notice**  
14 **in a conspicuous place on the property and by first-class mail to each affected residential unit, or by**  
15 **posting a copy of the notice in a conspicuous place on the property and in a prominent place on each**  
16 **affected residential unit.**

17           **Section 37B.5. Either a lender who obtains title through foreclosure to a rental property or a**  
18 **tenant may file a Petition with the City's Residential Rent Stabilization and Arbitration Board, for**  
19 **hearing and decision through its existing Administrative Law Judge and Board process, regarding**  
20 **matters arising under this Chapter 37B.**

21           **Section 37B.6. The Residential Rent Stabilization and Arbitration Board is authorized to hear**  
22 **and decide matters arising under this Chapter 37B, and to establish Rules and Regulations for**  
23 **implementation and administration of this Chapter 37B.**

24           **Section 37B.7. This Chapter 37B is intended to be and shall be interpreted to be consistent with**  
25 **applicable state law, including the Ellis Act (California Government Code §§7060 et seq.), the Costa-**

1 Hawkins Rental Housing Act (California Civil Code §§1954.50 et seq.), the Subdivision Map Act  
2 (California Government Code §§66410 et seq.) and the Helping Families Save Their Homes Act of  
3 2009 (Public Law 111-22, see 12 U.S.C.A. §5201 note) which includes the Protecting Tenants at  
4 Foreclosure Act of 2009 (Division A, Title VII, §§701 et seq.; 12 U.S.C.A. §1220 note, and amending  
5 42 U.S.C. 1437f(o)(7)).

6 Section 37B.8. Nothing in this Chapter is intended or shall be interpreted to diminish or  
7 eliminate any of the rights of tenants under Administrative Code Chapter 37. In the event of any  
8 conflict between this Chapter and Chapter 37, the provisions of Chapter 37 shall prevail.

9 Section 37B.9. This Chapter 37B shall be effective as of January 12, 2010.

10  
11 Section 2. Severability Clause.

12 If any provision of this Ordinance, or the application thereof to any person or circumstance, is  
13 for any reason held to be invalid or unconstitutional by a decision of any court of competent  
14 jurisdiction, the validity of the remainder of those provisions, including the application of such  
15 provisions to persons or circumstances other than those to which it is held invalid, shall not be affected  
16 thereby and they shall continue in full force and effect. To this end, the provisions of this Ordinance  
17 are severable, and the Board of Supervisors hereby declares that it would have passed this Ordinance  
18 and each and every provision not declared invalid or unconstitutional without regard to whether any  
19 provision of this Ordinance or its application to any person or circumstance would be subsequently  
20 declared invalid or unconstitutional.

21  
22 APPROVED AS TO FORM:  
23 DENNIS J. HERRERA, City Attorney

24 By: \_\_\_\_\_  
25 MARIE CORLETT BLITS  
Deputy City Attorney

MAYOR GAVIN NEWSOM, SUPERVISOR DUFTY  
BOARD OF SUPERVISORS