Amendment of the Whole In Committee 4/11/2011 ORDINANCE NO. 72 -//

[Administrative Code - Residential Rent Ordinance - Temporary Good Samaritan Occupancy/ Reduced Rent After Emergency Tenant Dislocation, Just Cause Eviction or Higher Rent at End of Period]

Ordinance amending Administrative Code Chapter 37 Residential Rent Arbitration and Stabilization Ordinance, by amending Sections 37.2(a) and 37.9 to provide for temporary Good Samaritan occupancy with reduced rent rate and, upon expiration of the temporary Good Samaritan Status, to provide that the landlord may either evict the tenant for just cause or increase the rent to a previously agreed base rent rate: Section 37.2 by adding Subsection 37.2(a)(1)(D) to permit creation of temporary Good Samaritan Status when a landlord and new tenant agree in writing for the tenant to commence occupancy following an emergency such as fire or, earthquake or, landslide or similar emergency situation that required unexpected vacation of the tenant's previous unit, and the agreement includes a reduced rent rate for up to the first three hundred sixty-five (365) days of occupancy a specified period of time up to twelve (12) months; initial base rent for purposes of calculating annual CPI increases per Section 37.3 shall be the rent payable upon expiration of the Original Good Samaritan Status Period, or upon expiration of any, which may be extended for a combined total of no more than twenty-four (24) months as agreed by the landlord and tenant in writing, for a total of no more than 730 days of Original and Extended Good Samaritan Status days combined: Good Samaritan sStatus may be utilized only upon written certification by a specified City Official, that identifies the emergency and the resulting unit vacation on grounds of public health, safety, and habitability; and Section 37.9 by adding Subsection 37.9(a)(16) to permit eviction for just cause upon expiration of the Original Good Samaritan Status period plus any Extended Good Samaritan Status Period.

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Additions are <u>single-underline italics Times New Roman font;</u> deletions are <u>strike-through italics Times New Roman font</u>. Board amendment additions are <u>double-underlined Arial font;</u> Board amendment deletions are <del>strikethrough Arial font</del>.

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 amending Section 37.2, to read as follows:

Sec. 37.2. - DEFINITIONS.

(a) Base Rent.

(1) That rent which is charged a tenant upon initial occupancy plus any rent increase allowable and imposed under this Chapter; provided, however, that,

(A) bBase rent shall not include increases imposed pursuant to Section 37.7, and

<u>(B)</u>  $b\underline{B}$  as rent shall not include utility passthroughs or water revenue bond passthroughs or general obligation bond passthroughs pursuant to Sections 37.2(q), 37.3(a)(5)(B), and 37.3(a)(6).

(C) Base rent for tenants of RAP rental units in areas designated on or after July 1, 1977, shall be that rent which was established pursuant to Section 32.73-1 of the San Francisco Administrative Code. Rent increases attributable to the City Administrator's amortization of an RAP loan in an area designated on or after July 1, 1977, shall not be included in the base rent.

(D) Good Samaritan Status. As of February 8, 2011 and after, for tenants who commence occupancy in Good Samaritan Status, initial base rent for purposes of calculating the annual

allowable Consumer Price Index increase ("CPI," see Section 37.3(a)(1)) shall be calculated according to that Good Samaritan Status.

Good Samaritan occupancy status occurs when a landlord and new tenant agree in Writing for the tenant to commence temporary occupancy following an emergency such as fire-OF<sub>2</sub> earthquake-OF<sub>2</sub> landslide, or similar emergency situation, that required unexpected vacation of the tenant's previous unit, and the agreement includes a reduced rent rate for the replacement unit for a specified period of time up to the first three hundred sixty five (365) days twelve (12) months ("Original Good Samaritan Status Period"). "Reduced rent rate" means the base rent the tenant was paying for the previous unit at the time of the emergency or an amount up to ten (10) percent above that amount, except that if the owner of the previous unit is the same as the owner of the replacement unit then "reduced rent rate" means the rent the tenant was paying for the previous unit at the time of the emergency. For Good Samaritan Status to exist, the written agreement as referenced in this Subsection must include a statement that the agreement is temporary in nature, must refer to this Subsection, and must state that the tenant has been displaced from his or her previous unit as certified in Subsection (iii), below.

The initial base rent used for calculation of the annual allowable Consumer Price Index increase (see Section 37.3(a)(1)) shall be the rent rate applicable on the day after expiration of the Original Good Samaritan Status Period, or the rent payable as of the day following expiration of any landlord and tenant Extended Good Samaritan Status agreement (see Section 37.2(a)(1)(D)(i)).

(i) The landlord and tenant may agree, in writing, to extend the reduced rent rate for a period of time beyond the Original Good Samaritan Status Period, up to a total of seven hundred thirty (730) twenty-four (24) months from the beginning to the end of all Good Samaritan Status ("Extended Good Samaritan Status Period").

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1	(ii) By accepting occupancy in Good Samaritan Status, a tenant does not waive any right <u>to</u>
2	compensation or any right to return to the tenant's previous unit that he or she otherwise may
3	have under Chapter 37 or other source of law, to compensation based on the emergency vacation of
4	the tenant's previous unit.
5	(iii) Good Samaritan Status may only be utilized upon certification in writing by one of the
6	following officials, or his or her designee, that as a result of fire, earthquake, landslide, or similar
7	emergency situation, the tenant's previous unit is in such condition that, as a matter of public health
8	and safety and as a matter of habitability, the tenant cannot or should not reside there until the unit has
9	been appropriately repaired:
0	<u>Mayor;</u>
1	<u>Fire Chief;</u>
2	Director of the Department of Building Inspection;
3	Director of the Department of Public Health; or
4	Other Official as authorized by law.
5	The Rent Board shall make a form available, that the Official may use for this purpose.
6	(iv) The Rent Board shall make a form available explaining that tenant occupancy in
7	Good Samaritan Status is temporary in nature, and that the landlord may reset the rent to a
8	higher base rent upon expiration of the Good Samaritan rental agreement. The Good
9	Samaritan landlord is strongly encouraged to provide the tenant with this disclosure form.
20	However, failure by the Rent Board to make such a disclosure form available or failure by the
21	landlord to provide the tenant with such disclosure form will not prevent the landlord from
22	setting a new base rent upon expiration of the Good-Samaritan agreement (whether Original
23	or Extended), or otherwise impact any rights that the landlord may have regarding the
24	tenancy.
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1	(iv) The tenant's rent increase anniversary date for a Good Samaritan occupancy shall
2	be the date the tenancy commenced; the first annual allowable increase shall take effect no
3	less than one year from the anniversary date, but when imposed after one year, shall set a
4	new anniversary date for the imposition of future rent increases. The base rent used for
5	calculation of the annual allowable increase pursuant to Section 37.3(a)(1) during a Good
6	Samaritan occupancy, shall be the reduced rent rate in effect on the day the Good Samaritan
7	occupancy commences.
B	(v) The landlord may serve a notice of termination of tenancy under Section
9	37.9(a)(16) within 60 days after expiration of the Original and any Extended Good Samaritan
0	Status Period. Alternatively, within sixty (60) days after expiration of the Original and any
1	Extended Good Samaritan Status Period, if the Good Samaritan rental agreement states the
2	dollar amount of the tenant's initial base rent that can be imposed after expiration of the
3	Original and any Extended Good Samaritan Status Period, the landlord may give legal notice
4	of the rent increase to the tenant and then increase the tenant's rent from the temporary
5	reduced rent rate to the previously agreed upon initial base rent for the unit.
6	(vi) The Rent Board shall make a form available that explains the temporary nature of
7	tenant occupancy in Good Samaritan Status, and describes the other provisions of Section
В	<u>37.2(a)(1)(D)(v).</u>
9	The Good Samaritan landlord shall provide the tenant with this disclosure form prior to
0	commencement of the Good Samaritan tenancy. However, failure by the landlord to provide
1	the tenant with such disclosure form:
2	<u>Will not prevent the landlord from serving a notice of termination of tenancy under</u>
3	Section 37.9(a)(16) within sixty (60) days after expiration of the Original and any
4	Extended Good Samaritan Status Period.

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 Will not prevent the landlord from serving a notice of rent increase within sixty (60) days after expiration of the Original and any Extended Good Samaritan Status Period, to increase to the previously agreed upon initial base rent for the unit, as provided in Section 37.2(a)(1)(D)(v).

Will not otherwise impact any rights that the landlord may have regarding the tenancy.

(2) From and after the effective date of this ordinance, the base rent for tenants occupying rental units which have received certain tenant-based or project-based rental assistance shall be as follows:

(A) With respect to tenant-based rental assistance:

(i) For any tenant receiving tenant-based assistance as of the effective date of this ordinance (except where the rent payable by the tenant is a fixed percentage of the tenant's income, such as in the Section 8 certificate program and the rental subsidy program for the HOPWA program), and continuing to receive tenant-based rental assistance following the effective date of this ordinance, the base rent for each unit occupied by such tenant shall be the rent payable for that unit under the Housing Assistance Payments contract, as amended, between the San Francisco Housing Authority and the landlord (the "HAP contract") with respect to that unit immediately prior to the effective date of this ordinance (the "HAP" contract rent").

(ii) For any tenant receiving tenant-based rental assistance (except where the rent payable by the tenant is a fixed percentage of the tenant's income, such as in the Section 8 certificate program and the rental subsidy program for the HOPWA program), and commencing occupancy of a rental unit following the effective date of this ordinance, the base rent for each unit occupied by such a tenant shall be the HAP contract rent in effect as of the date the tenant commences occupancy of such unit.

(iii) For any tenant whose tenant-based rental assistance terminates or expires, for whatever reason, following the effective date of this ordinance, the base rent for each such unit following expiration or termination shall be the HAP contract rent in effect for that unit immediately prior to the expiration or termination of the tenant-based rental assistance.

(B) For any tenant occupying a unit upon the expiration or termination, for whatever reason, of a project-based HAP contract under Section 8 of the United States Housing Act of 1937 (42 USC Section 1437f, as amended), the base rent for each such unit following expiration or termination shall be the "contract rent" in effect for that unit immediately prior to the expiration or termination of the project-based HAP contract.

(C) For any tenant occupying a unit upon the prepayment or expiration of any mortgage insured by the United States Department of Housing and Urban Development ("HUD"), including but not limited to mortgages provided under Sections 221(d)(3), 221(d)(4) and 236 of the National Housing Act (12 USC Section 1715z-1), the base rent for each such unit shall be the "basic rental charge" (described in 12 USC 1715z-1(f), or successor legislation) in effect for that unit immediately prior to the prepayment of the mortgage, which charge excludes the "interest reduction payment" attributable to that unit prior to the mortgage prepayment or expiration.

(b) Board. The Residential Rent Stabilization and Arbitration Board.

(c) Capital Improvements. Those improvements which materially add to the value of the property, appreciably prolong its useful life, or adapt it to new uses, and which may be amortized over the useful life of the improvement of the building.

(d) CPI. Consumer Price Index for all Urban Consumers for the San Francisco-Oakland Metropolitan Area, U.S. Department of Labor.

(e) Energy Conservation Improvements. Work performed pursuant to the requirements of Chapter 12 of the San Francisco Housing Code.

(f) Administrative Law Judge. A person, designated by the Board, who arbitrates and mediates rental increase disputes, and performs other duties as required pursuant to this Chapter 37.

(f.1) Reserved.

(g) Housing Services. Services provided by the landlord connected with the use or occupancy of a rental unit including, but not limited to: quiet enjoyment of the premises, without harassment by the landlord as provided in Section 10B; repairs; replacement; maintenance; painting; light; heat; water; elevator service; laundry facilities and privileges; janitor service; refuse removal; furnishings; telephone; parking; rights permitted the tenant by agreement, including the right to have a specific number of occupants, whether express or implied, and whether or not the agreement prohibits subletting and/or assignment; and any other benefits, privileges or facilities.

(h) Landlord. An owner, lessor, sublessor, who receives or is entitled to receive rent for the use and occupancy of any residential rental unit or portion thereof in the City and County of San Francisco, and the agent, representative or successor of any of the foregoing.

(i) Member. A member of the Residential Rent Stabilization and Arbitration Board.

(j) Over FMR Tenancy Program. A regular certificate tenancy program whereby the base rent, together with a utility allowance in an amount determined by HUD, exceeds the fair market rent limitation for a particular unit size as determined by HUD.

(k) Payment Standard. An amount determined by the San Francisco Housing Authority that is used to determine the amount of assistance paid by the San Francisco Housing Authority on behalf of a tenant under the Section 8 Voucher Program (24 CFR Part 887).

(I) RAP. Residential Rehabilitation Loan Program (Chapter 32, San Francisco Administrative Code).

(m) RAP Rental Units. Residential dwelling units subject to RAP loans pursuant to Chapter 32, San Francisco Administrative Code.

(n) Real Estate Department. A city department in the City and County of San Francisco.

(o) Rehabilitation Work. Any rehabilitation or repair work done by the landlord with regard to a rental unit, or to the common areas of the structure containing the rental unit, which work was done in order to be in compliance with State or local law, or was done to repair damage resulting from fire, earthquake or other casualty or natural disaster.

(p) Rent. The consideration, including any bonus, benefits or gratuity, demanded or received by a landlord for or in connection with the use or occupancy of a rental unit, or the assignment of a lease for such a unit, including but not limited to monies demanded or paid for parking, furnishing, food service, housing services of any kind, or subletting.

(q) Rent Increases. Any additional monies demanded or paid for rent as defined in item (p) above, or any reduction in housing services without a corresponding reduction in the monies demanded or paid for rent; provided, however, that: (1) where the landlord has been paying the tenant's utilities and the cost of those utilities increases, the landlord's passing through to the tenant of such increased costs pursuant to this Chapter does not constitute a rent increase; (2) where there has been a change in the landlord's property tax attributable to a general obligation bond approved by the voters between November 1, 1996 and November 30, 1998, or after November 14, 2002, the landlord's passing through to the tenant of such increase with this Chapter (see Section 37.3(a)(6)) does not constitute a rent increase; (3) where there has been a change in the landlord's property tax attributable to a San Francisco Unified School District or San Francisco Community College District general obligation bond approved by the voters after November 1, 2006, the landlord's passing through to the tenant of such increased costs in accordance with this Chapter (see Section 37.3(a)(6)) does not constitute a rent increase; (3) where there has been a change in the landlord's property tax attributable to a San Francisco Unified School District or San Francisco Community College District general obligation bond approved by the voters after November 1, 2006, the landlord's passing through to the tenant of such increased costs in accordance with this Chapter (see Section

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37.3(a)(6)) does not constitute a rent increase; and, (4) where water bill charges are attributable to water rate increases resulting from issuance of water revenue bonds authorized at the November 5, 2002 election, the landlord's passing through to the tenant of such increased costs in accordance with this Chapter (see Section 37.3(a)(5)(B)) does not constitute a rent increase.

(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.

Garage facilities, parking facilities, driveways, storage spaces, laundry rooms, decks, patios, or gardens on the same lot, or kitchen facilities or lobbies in single room occupancy (SRO) hotels, supplied in connection with the use or occupancy of a unit, may not be severed from the tenancy by the landlord without just cause as required by Section 37.9(a). Any severance, reduction or removal permitted under this Section 37.2(r) shall be offset by a corresponding reduction in rent. Either a landlord or a tenant may file a petition with the Rent Board to determine the amount of the rent reduction.

The term "rental units" shall not include:

(1) Housing accommodations in hotels, motels, inns, tourist houses, rooming and boarding houses, provided that at such time as an accommodation has been occupied by a tenant for 32 continuous days or more, such accommodation shall become a rental unit subject to the provisions of this Chapter; provided further, no landlord shall bring an action to recover possession of such unit in order to avoid having the unit come within the provisions of this Chapter. An eviction for a purpose not permitted under Section 37.9(a) shall be deemed to be an action to recover possession in order to avoid having a unit come within the provisions of this Chapter;

(2) 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;

(3) Housing accommodation in any hospital, convent, monastery, extended care facility, asylum, residential care or adult day health care facility for the elderly which must be operated pursuant to a license issued by the California Department of Social Services, as required by California Health and Safety Chapters 3.2 and 3.3; or in dormitories owned and operated by an institution of higher education, a high school, or an elementary school;

(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;

(A) For purposes of Sections 37.2, 37.3(a)(10)(A), 37.4, 37.5, 37.6, 37.9, 37.9A, 37.10A, 37.11A and 37.13, and the arbitration provisions of Sections 37.8 and 37.8A applicable only to the provisions of Sections 37.3(a)(10)(A), the term "rental units" shall include units occupied by recipients of tenant-based rental assistance where the tenant-based rental assistance program does not establish the tenant's share of base rent as a fixed percentage of a tenant's income, such as in the Section 8 voucher program and the "Over-FMR Tenancy" program defined in 24 CFR Section 982.4;

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Page 11 04/08/2011 n:\govern\as2011\1100333\00692443.doc (B) For purposes of Sections 37.2, 37.3(a)(10)(B), 37.4, 37.5, 37.6, 37.9, 37.9A, 37.10A, 37.11A and 37.13, the term "rental units" shall include units occupied by recipients of tenant-based rental assistance where the rent payable by the tenant under the tenant-based rental assistance program is a fixed percentage of the tenant's income; such as in the Section 8 certificate program and the rental subsidy program for the Housing Opportunities for Persons with Aids ("HOPWA") program (42 U.S.C. Section 12901 et seq., as amended);

(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 37.2(r)(6).

This Section 37.2(r)(4)(C) definition of "rental unit" shall apply to any unit where the qualifying tenant (see Section 37.2(r)(4)(C)(i)) is in possession of the unit on or after the effective date of this ordinance (Ord. No. 281-06), including but not limited to any unit where the tenant has been served with a notice to quit but has not vacated the unit and there is no final judgment against the tenant for possession of the unit as of the effective date of this ordinance (Ord. No. 281-06).

(5) Rental units located in a structure for which a certificate of occupancy was first issued after the effective date of this ordinance; (A) except as provided for certain categories of units and dwellings by Section 37.3(d) and Section 37.9A(b) of this Chapter, (B) except as provided in a 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).

(s) Substantial Rehabilitation. The renovation, alteration or remodeling of residential units of 50 or more years of age which have been condemned or which do not qualify for certificates of occupancy or which require substantial renovation in order to conform the building to contemporary standards for decent, safe and sanitary housing. Substantial rehabilitation may vary in degree from gutting and extensive reconstruction to extensive improvements that cure substantial deferred maintenance. Cosmetic improvements alone such as painting, decorating and minor repairs, or other work which can be performed safely without having the unit vacated do not qualify as substantial rehabilitation.

(t) Tenant. A person entitled by written or oral agreement, sub-tenancy approved by the landlord, or by sufferance, to occupy a residential dwelling unit to the exclusion of others.

(u) Tenant-Based Rental Assistance. Rental assistance provided directly to a tenant or directly to a landlord on behalf of a particular tenant, which includes but shall not be limited to

certificates and vouchers issued pursuant to Section 8 of the United States Housing Act of 1937, as amended (42 U.S.C. Section 1437f) and the HOPWA program.

(v) Utilities. The term "utilities" shall refer to gas and electricity exclusively.

Section 2. The San Francisco Administrative Code is hereby amended by amending Section 37.9, to read as follows:

SEC. 37.9. - EVICTIONS.

Notwithstanding Section 37.3, this Section shall apply as of August 24, 1980, to all 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:

(1) The tenant:

(A) Has failed to pay the rent to which the landlord is lawfully entitled under the oral or written agreement between the tenant and landlord:

(i) Except that a tenant's nonpayment of a charge prohibited by Section 919.1 of the Police Code shall not constitute a failure to pay rent; and

(ii) Except that, commencing August 10, 2001, to and including February 10, 2003, a landlord shall not endeavor to recover or recover possession of a rental unit for failure of a tenant to pay that portion of rent attributable to a capital improvement passthrough certified pursuant to a decision issued after April 10, 2000, where the capital improvement passthrough petition was filed prior to August 10, 2001, and a landlord shall not impose any late fee(s) upon the tenant for such non-payment of capital improvements costs; or

(B) Habitually pays the rent late; or

(C) Gives checks which are frequently returned because there are insufficient funds in the checking account; or

(2) The tenant has violated a lawful obligation or covenant of tenancy other than the obligation to surrender possession upon proper notice or other than an obligation to pay a charge prohibited by Police Code Section 919.1, and failure to cure such violation after having received written notice thereof from the landlord.

(A) Provided that notwithstanding any lease provision to the contrary, a landlord shall not endeavor to recover possession of a rental unit as a result of subletting of the rental unit by the tenant if the landlord has unreasonably withheld the right to sublet following a written request by the tenant, so long as the tenant continues to reside in the rental unit and the sublet constitutes a one-for-one replacement of the departing tenant(s). If the landlord fails to respond to the tenant in writing within fourteen (14) days of receipt of the tenant's written request, the tenant's request shall be deemed approved by the landlord.

(B) Provided further that where a rental agreement or lease provision limits the number of occupants or limits or prohibits subletting or assignment, a landlord shall not endeavor to recover possession of a rental unit as a result of the addition to the unit of a tenant's child, parent, grandchild, grandparent, brother or sister, or the spouse or domestic partner (as defined in Administrative Code Sections 62.1 through 62.8) of such relatives, or as a result of the addition of the spouse or domestic partner of a tenant, so long as the maximum number of occupants stated in Section 37.9(a)(2)(B)(i) and (ii) is not exceeded, if the landlord has unreasonably refused a written request by the tenant to add such occupant(s) to the unit. If the landlord fails to respond to the tenant in writing within fourteen (14) days of receipt of the tenant's written request, the tenant's request shall be deemed approved by the landlord. A landlord's reasonable refusal of the tenant's written request may not be based on the proposed additional occupant's lack of creditworthiness, if that person will not be legally obligated to pay some or all of the rent to the landlord. A landlord's reasonable refusal of the tenant's written request may be based on, but is not limited to, the ground that the total

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number of occupants in a unit exceeds (or with the proposed additional occupant(s) would exceed) the lesser of (i) or (ii):

 (i) Two persons in a studio unit, three persons in a one-bedroom unit, four persons in a two-bedroom unit, six persons in a three-bedroom unit, or eight persons in a four-bedroom unit; or

(ii) The maximum number permitted in the unit under state law and/or other local codes such as the Building, Fire, Housing and Planning Codes; or

(3) The tenant is committing or permitting to exist a nuisance in, or is causing substantial damage to, the rental unit, or is creating a substantial interference with the comfort, safety or enjoyment of the landlord or tenants in the building, and the nature of such nuisance, damage or interference is specifically stated by the landlord in writing as required by Section 37.9(c); or

(4) The tenant is using or permitting a rental unit to be used for any illegal purpose; or

(5) The tenant, who had an oral or written agreement with the landlord which has terminated, has refused after written request or demand by the landlord to execute a written extension or renewal thereof for a further term of like duration and under such terms which are materially the same as in the previous agreement; provided, that such terms do not conflict with any of the provisions of this Chapter; or

(6) The tenant has, after written notice to cease, refused the landlord access to the rental unit as required by State or local law; or

(7) The tenant holding at the end of the term of the oral or written agreement is a subtenant not approved by the landlord; or

(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)(i), the term spouse shall include domestic partners as defined in San Francisco Administrative Code Sections 62.1 through 62.8

(iii) For purposes of this Section 37.9(a)(8) only, as to landlords who become owners of record of the rental unit on or before February 21, 1991, the term "landlord" shall be defined as an owner of record of at least 10 percent interest in the property or, for Section 37.9(a)(8)(i) only, two individuals registered as domestic partners as defined in San Francisco Administrative Code Sections 62.1 through 62.8 whose combined ownership of record is at least 10 percent. For purposes of this Section 37.9(a)(8) only, as to landlords who become owners of record of the rental unit after February 21, 1991, the term "landlord" shall be defined as an owner of record of at least 25 percent interest in the property or, for Section 37.9(a)(8)(i) only, two individuals registered as domestic partners as defined in San Francisco Administrative Code Sections 62.1 through 62.8 whose combined ownership of record is at least 25 percent interest in the property or, for Section

(iv) A landlord may not recover possession under this Section 37.9(a)(8) if a comparable unit owned by the landlord is already vacant and is available, or if such a unit becomes vacant and available before the recovery of possession of the unit. If a comparable unit does become vacant and available before the recovery of possession, the landlord shall rescind the notice to vacate and dismiss any action filed to recover possession of the

premises. Provided further, if a noncomparable unit becomes available before the recovery of possession, the landlord shall offer that unit to the tenant at a rent based on the rent that the tenant is paying, with upward or downward adjustments allowed based upon the condition, size, and other amenities of the replacement unit. Disputes concerning the initial rent for the replacement unit shall be determined by the Rent Board. It shall be evidence of a lack of good faith if a landlord times the service of the notice, or the filing of an action to recover possession, so as to avoid moving into a comparable unit, or to avoid offering a tenant a replacement unit.

(v) It shall be rebuttably presumed that the landlord has not acted in good faith if the landlord or relative for whom the tenant was evicted does not move into the rental unit within three months and occupy said unit as that person's principal residence for a minimum of 36 continuous months.

(vi) Once a landlord has successfully recovered possession of a rental unit pursuant to Section 37.9(a)(8)(i), then no other current or future landlords may recover possession of any other rental unit in the building under Section 37.9(a)(8)(i). It is the intention of this Section that only one specific unit per building may be used for such occupancy under Section 37.9(a)(8)(i) and that once a unit is used for such occupancy, all future occupancies under Section 37.9(a)(8)(i) must be of that same unit, provided that a landlord may file a petition with the Rent Board, or at the landlord's option, commence eviction proceedings, claiming that disability or other similar hardship prevents him or her from occupying a unit which was previously occupied by the landlord.

(vii) 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

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Page 18 04/08/2011 n:\govern\as2011\1100333\00692443.doc (9) The landlord seeks to recover possession in good faith in order to sell the unit in accordance with a condominium conversion approved under the San Francisco subdivision ordinance and does so without ulterior reasons and with honest intent; or

(10) The landlord seeks to recover possession in good faith in order to demolish or to otherwise permanently remove the rental unit from housing use and has obtained all the necessary permits on or before the date upon which notice to vacate is given, and does so without ulterior reasons and with honest intent; provided that a landlord who seeks to recover possession under this Section 37.9(a)(10) shall pay relocation expenses as provided in Section 37.9C except that a landlord who seeks to demolish an unreinforced masonry building pursuant to Building Code Chapters 16B and 16C must provide the tenant with the relocation assistance specified in Section 37.9A(f) below prior to the tenant's vacating the premises; or

(11) The landlord seeks in good faith to remove temporarily the unit from housing use in order to be able to carry out capital improvements or rehabilitation work and has obtained all the necessary permits on or before the date upon which notice to vacate is given, and does so without ulterior reasons and with honest intent. Any tenant who vacates the unit under such circumstances shall have the right to reoccupy the unit at the prior rent adjusted in accordance with the provisions of this Chapter. The tenant will vacate the unit only for the minimum time required to do the work. On or before the date upon which notice to vacate is given, the landlord shall advise the tenant in writing that the rehabilitation or capital improvement plans are on file with the Central Permit Bureau of the Department of Building Inspection and that arrangements for reviewing such plans can be made with the Central Permit Bureau. In addition to the above, no landlord shall endeavor to recover possession of any unit subject to a RAP loan as set forth in Section 37.2(m) of this Chapter except as provided in Section 32.69 of the San Francisco Administrative Code. The tenant shall not be required to vacate pursuant to this Section 37.9(a)(11), for a period in excess of three months;

provided, however, that such time period may be extended by the Board or its Administrative Law Judges upon application by the landlord. The Board shall adopt rules and regulations to implement the application procedure. Any landlord who seeks to recover possession under this Section 37.9(a)(11) shall pay relocation expenses as provided in Section 37.9C or

(12) The landlord seeks to recover possession in good faith in order to carry out substantial rehabilitation, as defined in Section 37.2(s), and has obtained all the necessary permits on or before the date upon which notice to vacate is given, and does so without ulterior reasons and with honest intent. Notwithstanding the above, no landlord shall endeavor to recover possession of any unit subject to a RAP loan as set forth in Section 37.2(m) of this Chapter except as provided in Section 32.69 of the San Francisco Administrative Code; Any landlord who seeks to recover possession under this Section 37.9(a)(12) shall pay relocation expenses as provided in Section 37.9C; or

(13) The landlord wishes to withdraw from rent or lease all rental units within any detached physical structure and, in addition, in the case of any detached physical structure containing three or fewer rental units, any other rental units on the same lot, and complies in full with Section 37.9A with respect to each such unit; provided, however, that guestrooms or efficiency units within a residential hotel, as defined in Section 50519 of the Health and Safety Code, may not be withdrawn from rent or lease if the residential hotel has a permit of occupancy issued prior to January 1, 1990, and if the residential hotel did not send a notice of intent to withdraw the units from rent or lease (Administrative Code Section 37.9A(f), Government Code Section 7060.4(a)) that was delivered to the Rent Board prior to January 1, 2004; or

(14) The landlord seeks in good faith to temporarily recover possession of the unit solely for the purpose of effecting lead remediation or abatement work, as required by San Francisco Health Code Articles 11 or 26. The tenant will vacate the unit only for the minimum

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Page 20 04/08/2011 n:\govern\as2011\1100333\00692443.doc time required to do the work. The relocation rights and remedies, established by San Francisco Administrative Code Chapter 72, including but not limited to, the payment of financial relocation assistance, shall apply to evictions under this Section 37.9(a)(14).

(15) The landlord seeks to recover possession in good faith in order to demolish or to otherwise permanently remove the rental unit from housing use in accordance with the terms of a development agreement entered into by the City under Chapter 56 of the San Francisco Administrative Code.

(16) The tenant's Good Samaritan Status (Section 37.2(a)(1)(D)) has expired, and the landlord exercises the right to recover possession by serving a notice of termination of tenancy under this Section 37.9(a)(16) within 60 days after expiration of the Original and any Extended Good Samaritan Status Period.

(b) A landlord who resides in the same rental unit with his or her tenant may evict said tenant without just cause as required under Section 37.9(a) above.

(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 the landlord's dominant motive for recovering possession and 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 that advice regarding the notice to vacate is available from the Residential Rent Stabilization and Arbitration Board, before endeavoring to recover possession. A copy of all notices to vacate except three-day notices to vacate or pay rent 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. 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.

(d) No landlord may cause a tenant to quit involuntarily or threaten to bring any action to recover possession, or decrease any services, or increase the rent, or take any other action where the landlord's dominant motive is retaliation for the tenant's exercise of any rights under the law. Such retaliation shall be a defense to any action to recover possession. In an action to recover possession of a rental unit, proof of the exercise by the tenant of rights under the law within six months prior to the alleged act of retaliation shall create a rebuttable presumption that the landlord's act was retaliatory.

(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 except as provided in Section 37.10A(g), 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 as enacted herein, the tenant or 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), and whatever other relief the court deems appropriate. 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

(A) Is 60 years of age or older and has been residing in the unit for 10 years or more;

(B) Is disabled within the meaning of Section 37.9(i)(1)(B)(i) and has been residing in the unit for 10 years or more, or is catastrophically ill within the meaning of Section 37.9(i)(1)(B)(ii) and has been residing in the unit for five years or more:

(i) A "disabled" tenant is defined for purposes of this Section 37.9(i)(1)(B) as a person who is disabled or blind within the meaning of the federal Supplemental Security Income/California State Supplemental Program (SSI/SSP), and who is determined by

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or

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.

(g) The provisions of this Section 37.9 shall apply to any rental unit as defined in Sections 37.2(r)(4)(A) and 37.2(r)(4)(B), including where a notice to vacate/quit any such rental unit has been served as of the effective date of this Ordinance No. 250-98 but where any such rental unit has not yet been vacated or an unlawful detainer judgment has not been issued as of the effective date of this Ordinance No. 250-98.

(h) With respect to rental units occupied by recipients of tenant-based rental assistance, the notice requirements of this Section 37.9 shall be required in addition to any notice required as part of the tenant-based rental assistance program, including but not limited

to the notice required under 24 CFR Section 982.310(e)(2)(ii). (i) The following additional provisions shall apply to a landlord who seeks to recover a

rental unit by utilizing the grounds enumerated in Section 37.9(a)(8):

(1) A landlord may not recover possession of a unit from a tenant under Section 37.9(a)(8) if the landlord has or receives notice, any time before recovery of possession, that any tenant in the rental unit:

SSI/SSP to qualify for that program or who satisfies such requirements through any other method of determination as approved by the Rent Board;

(ii) A "catastrophically ill" tenant is defined for purposes of this Section 37.9(i)(1)(B) as a person who is disabled as defined by Section 37.9(i)(1)(B)(i), and who is suffering from a life threatening illness as certified by his or her primary care physician.

(2) The foregoing provisions of Sections 37.9(i)(1)(A) and (B) shall not apply where there is only one rental unit owned by the landlord in the building, or where each of the rental units owned by the landlord in the same building where the landlord resides (except the unit actually occupied by the landlord) is occupied by a tenant otherwise protected from eviction by Sections 37.9(i)(1)(A) or (B) and where the landlord's qualified relative who will move into the unit pursuant to Section 37.9(a)(8) is 60 years of age or older.

(3) The provisions established by this Section 37.9(i) include, but are not limited to, any rental unit where a notice to vacate/quit has been served as of the date this amendment takes effect but where the rental unit has not yet been vacated or an unlawful detainer judgment has not been issued.

(4) Within 30 days of personal service by the landlord of a written request, or, at the landlord's option, a notice of termination of tenancy under Section 37.9(a)(8), the tenant must submit a statement, with supporting evidence, to the landlord if the tenant claims to be a member of one of the classes protected by Section 37.9(i). The written request or notice shall contain a warning that a tenant's failure to submit a statement within the 30 day period shall be deemed an admission that the tenant is not protected by Section 37.9(i). The landlord shall file a copy of the request or notice with the Rent Board within 10 days of service on the tenant. A tenant's failure to submit a statement within the 30 day period shall be deemed an admission that the tenant within the 30 day period shall be deemed an admission that the tenant within the 30 day period shall be deemed an admission that the tenant within the 30 day period shall be deemed an admission that the tenant within the 30 day period shall be deemed an admission that the tenant within the 30 day period shall be deemed an admission that the tenant is not protected by Section 37.9(i). A landlord may challenge a tenant's claim of protected status either by requesting a hearing with the Rent Board or, at the

landlord's option, through commencement of eviction proceedings, including service of a notice of termination of tenancy. In the Rent Board hearing or the eviction action, the tenant shall have the burden of proof to show protected status. No civil or criminal liability under Section 37.9(e) or (f) shall be imposed upon a landlord for either requesting or challenging a tenant's claim of protected status.

(5) This Section 37.9(i) is severable from all other sections and shall be of no force or effect if any temporary moratorium on owner/relative evictions adopted by the Board of Supervisors after June 1, 1998 and before October 31, 1998 has been invalidated by the courts in a final decision.

(j) The following additional provision shall apply to a landlord who seeks to recover a rental unit by utilizing the grounds enumerated in Section 37.9(a)(8):

(1) It shall be a defense to an eviction under Section 37.9(a)(8) if any tenant in the rental unit has a custodial or family relationship with a child under the age of 18 who is residing in the unit, the tenant with the custodial or family relationship has resided in the unit for 12 months or more, and the effective date of the notice of termination of tenancy falls during the school year. The term "school year" as used in this Section 37.9(j) means the first day of instruction for the Fall Semester through the last day of instruction for the Spring Semester, as posted on the San Francisco Unified School District website for each year.

(2) The foregoing provision Section 37.9(j)(1) shall not apply where there is only one rental unit owned by the landlord in the building, or where the owner who will move into the unit pursuant to a Section 37.9(a)(8) eviction has a custodial or family relationship with a child under the age of 18 who will reside in the unit with the owner.

(3) Within 30 days of personal service by the landlord of a written request, or, at the landlord's option, a notice of termination of tenancy under Section 37.9(a)(8), the tenant must submit a statement with supporting evidence to the landlord, if the tenant claims to be a

member of the class protected from eviction by Section 37.9(j). The landlord's written request or notice shall contain a warning that a tenant's failure to submit a statement within the 30 day period shall be deemed an admission that the tenant is not protected from eviction by Section 37.9(j). The landlord shall file a copy of the landlord's request or notice with the Rent Board within 10 days of service on the tenant. A tenant's failure to submit a statement within the 30 day period shall be deemed an admission that the tenant is not protected from eviction by Section 37.9(j). A landlord may challenge a tenant's claim of protected status either by requesting a hearing with the Rent Board or, at the landlord's option, through commencement of eviction proceedings, including service of a notice of termination of tenancy. In the Rent Board hearing or the eviction action, the tenant shall have the burden of proof to show protected status. No civil or criminal liability under Section 37.9(e) or (f) shall be imposed upon a landlord for either requesting or challenging a tenant's claim of protected status.

(4) For purposes of this Section 37.9(j), the term "custodial relationship" means that the person is a legal guardian of the child, or has a court-recognized caregiver authorization affidavit for the child, or that the person has provided full-time custodial care of the child pursuant to an agreement with the child's legal guardian or court-recognized caregiver and has been providing that care for at least one year or half of the child's lifetime, whichever is less. The term 'family relationship" means that the person is the parent, grandparent, brother, sister, aunt or uncle of the child, or the spouse or domestic partner of such relations.

(k) Disclosure of Rights to Tenants Before and After Sale of Rental Units Subject to Section 37.9

(1) Disclosure to Tenants By Seller of the Property. Before property containing rental units subject to Section 37.9 may be sold, the owner/seller shall disclose to tenants of the property the rights of tenants during and after the sale of the property. This disclosure shall be in writing and shall include:

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Page 26 04/08/2011 n:\govern\as2011\1100333\00692443.doc (A) A statement in bold type of at least 12 points that tenants can not be evicted or asked to move solely because a property is being sold or solely because a new owner has purchased that property.

(B) A statement in bold type of at least 12 points that tenants cannot have their rent increased above that permitted by Chapter 37 solely because a property is being sold or solely because a new owner has purchased that property.

(C) A statement in bold type of at least 12 points that the rental agreements of tenants cannot be materially changed solely because a property is being sold or solely because a new owner has purchased that property.

(D) A statement that the owner's right to show units to prospective buyers is governed by California Civil Code section 1954, including a statement that tenants must receive notice as provided by Section 1954, and a statement that a showing must be conducted during normal business hours unless the tenant consents to an entry at another time.

(E) A statement that tenants are not required to complete or sign any estoppel certificates or estoppel agreements, except as required by law or by that tenant's rental agreement. The statement shall further inform tenants that tenant rights may be affected by an estoppel certificate or agreement and that the tenants should seek legal advice before completing or signing an estoppel certificate or agreement.

(F) A statement that information on these and other tenant's rights are available at the San Francisco Rent Board, 25 Van Ness Ave, San Francisco, California, and at the counseling telephone number of the Rent Board and at its web site.

(2) Disclosure to Tenants by Purchaser of the Property. Within 30 days of acquiring title to rental units subject to Section 37.9, the new purchaser/owner shall disclose to tenants of the property the rights of tenants following this sale of the property. This disclosure shall be in writing and shall include:

(A) A statement in bold type of at least 12 points that tenants cannot be evicted or asked to move solely because a new owner has purchased that property.

(B) A statement in bold type of at least 12 points that tenants cannot have their rent increased above that permitted by Chapter 37 solely because a new owner has purchased that property.

(C) A statement in bold type of at least 12 points that the rental agreements of tenants cannot be materially changed solely because a new owner has purchased that property.

(D) A statement in **bold** type of at least 12 points that any tenants, sub-tenants or roommates who were lawful occupants at the time of the sale remain lawful occupants.

(E) A statement in bold type of at least 12 points: that tenants' housing services as defined in Section 37.2(r) first paragraph cannot be changed or severed from the tenancy solely because a new owner has purchased that property; and that tenants' housing services as defined in Section 37.2(r) second paragraph that were supplied in connection with the use or occupancy of a unit at the time of sale (such as laundry rooms, decks, or storage space) cannot be severed from the tenancy by the new purchaser/owner without just cause as required by Section 37.9(a).

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

By: CORLE

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: 110153

## Date Passed: April 26, 2011

Ordinance amending Administrative Code Chapter 37 Residential Rent Arbitration and Stabilization Ordinance, by amending Sections 37.2(a) and 37.9 to provide for temporary Good Samaritan occupancy with reduced rent rate and, upon expiration of the temporary Good Samaritan Status, to provide that the landlord may either evict the tenant for just cause or increase the rent to a previously agreed base rent rate; Section 37.2 by adding Subsection 37.2(a)(1)(D) to permit creation of temporary Good Samaritan Status when a landlord and new tenant agree in writing for the tenant to commence occupancy following an emergency such as fire, earthquake, landslide or similar emergency situation that required unexpected vacation of the tenant's previous unit, and the agreement includes a reduced rent rate for a specified period of time up to twelve (12) months, which may be extended for a combined total of no more than twenty-four (24) months; Good Samaritan Status may be utilized only upon written certification by a specified City Official, that identifies the emergency and the resulting unit vacation on grounds of public health, safety, and habitability; and Section 37.9 by adding Subsection 37.9(a)(16) to permit eviction for just cause upon expiration of the Original Good Samaritan Status period plus any Extended Good Samaritan Status Period.

April 11, 2011 Land Use and Economic Development Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

April 11, 2011 Land Use and Economic Development Committee - RECOMMENDED AS AMENDED

April 19, 2011 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

April 26, 2011 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 110153

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 4/26/2011 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

Mayor Edwin Lee

**Date Approved**