

1 [Renaming Hearing Officers as Administrative Law Judges]
 2 AMENDING CHAPTER 37 OF THE SAN FRANCISCO ADMINISTRATIVE CODE
 3 ("RESIDENTIAL RENT STABILIZATION AND ARBITRATION ORDINANCE") TO
 4 REFLECT THE CIVIL SERVICE RECLASSIFICATION OF HEARING OFFICERS AS
 5 ADMINISTRATIVE LAW JUDGES, BY AMENDING ALL REFERENCES TO "HEARING
 6 OFFICER(S)" IN §§37.2, 37.3, 37.5, 37.6, 37.7, 37.8, 37.8A, 37.8B, 37.9, AND 37.10, TO BE
 7 REFERENCES TO "ADMINISTRATIVE LAW JUDGE(S)."

8
 9 Note: Additions are underlined; deletions are in ((double parentheses)).

10
 11 Be it ordained by the People of the City and County of San Francisco:

12
 13 **Section 1.** Chapter 37 of the San Francisco Administrative Code, the "Residential Rent
 14 Stabilization And Arbitration Ordinance," is hereby amended by amending §§37.2, 37.3, 37.5,
 15 37.6, 37.7, 37.8, 37.8A, 37.8B, 37.9, and 37.10, to read as follows:

16
 17 **SEC. 37.2. DEFINITIONS.** (a) **Base Rent.** (1) That rent which is charged a tenant
 18 upon initial occupancy plus any rent increase allowable and imposed under this Chapter;
 19 provided, however, that base rent shall not include increases imposed pursuant to Section
 20 37.7 below or utility passthroughs or general obligation passthroughs pursuant to Section
 21 37.2(q) below. Base rent for tenants of RAP rental units in areas designated on or after July 1,
 22 1977, shall be that rent which was established pursuant to Section 32.73-1 of the San
 23 Francisco Administrative Code. Rent increases attributable to the City Administrator's
 24 amortization of an RAP loan in an area designated on or after July 1, 1977, shall not be
 25

Supervisors Newsom

SAN FRANCISCO RESIDENTIAL RENT STABILIZATION AND ARBITRATION BOARD

1 included in the base rent.

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

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

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

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

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

25 (B) For any tenant occupying a unit upon the expiration or termination, for whatever

1 reason, of a project-based HAP contract under Section 8 of the United States Housing Act of
2 1937 (42 USC Section 1437f, as amended), the base rent for each such unit following
3 expiration or termination shall be the “contract rent” in effect for that unit immediately prior to
4 the expiration or termination of the project-based HAP contract.

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

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

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

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

19 (e) **Energy Conservation Measures.** Work performed pursuant to the
20 requirements of Article 12 of the San Francisco Housing Code.

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

24 (g) **Housing Services.** Services provided by the landlord connected with the use or
25 occupancy of a rental unit including, but not limited to: repairs; replacement; maintenance;

1 painting; light; heat; water; elevator service; laundry facilities and privileges; janitor service;
2 refuse removal; furnishings; telephone; parking; rights permitted the tenant by agreement,
3 including the right to have a specific number of occupants, whether express or implied, and
4 whether or not the agreement prohibits subletting and/or assignment; and any other benefits,
5 privileges or facilities.

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

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

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

13 (k) **Payment Standard.** An amount determined by the San Francisco Housing
14 Authority that is used to determine the amount of assistance paid by the San Francisco
15 Housing Authority on behalf of a tenant under the Section 8 Voucher Program (24 CFR Part
16 887).

17 (l) **RAP.** Residential Rehabilitation Loan Program (Chapter 32, San Francisco
18 Administrative Code).

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

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

23 (o) **Rehabilitation Work.** Any rehabilitation or repair work done by the landlord with
24 regard to a rental unit, or to the common areas of the structure containing the rental unit,
25 which work was done in order to be in compliance with State or local law, or was done to

1 repair damage resulting from fire, earthquake or other casualty or natural disaster.

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

6 (q) **Rent Increases.** Any additional monies demanded or paid for rent as defined in
7 item (p) above, or any reduction in housing services without a corresponding reduction in the
8 monies demanded or paid for rent; provided, however, that (1) where the landlord has been
9 paying the tenant's utilities and cost of those utilities increase, the landlord's passing through
10 to the tenant of such increased costs does not constitute a rent increase; and (2) where there
11 has been a change in the landlord's property tax attributable to a ballot measure approved by
12 the voters between November 1, 1996, and November 30, 1998, the landlord's passing
13 through of such increased costs in accordance with this Chapter does not constitute a rent
14 increase.

15 (r) **Rental Units.** All residential dwelling units in the City and County of San
16 Francisco together with the land and appurtenant buildings thereto, and all housing services,
17 privileges, furnishings and facilities supplied in connection with the use or occupancy thereof,
18 including garage and parking facilities. The term shall *not* include:

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

1 provisions of this Chapter;

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

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

12 (4) Except as provided in Subsections (A) and (B), dwelling units whose rents are
13 controlled or regulated by any government unit, agency or authority, excepting those
14 unsubsidized and/or unassisted units which are insured by the United States Department of
15 Housing and Urban Development; provided, however, that units in unreinforced masonry
16 buildings which have undergone seismic strengthening in accordance with Building Code
17 Chapters 14 and 15 shall remain subject to the Rent Ordinances to the extent that the
18 ordinance is not in conflict with the seismic strengthening bond program or with the program's
19 loan agreements or with any regulations promulgated thereunder;

20 (A) For purposes of Sections 37.2, 37.3(a)(10)(A), 37.4, 37.5, 37.6, 37.9, 37.9A,
21 37.10A, 37.11A and 37.13, and the arbitration provisions of Sections 37.8 and 37.8A
22 applicable only to the provisions of Sections 37.3(a)(10)(A), the term "rental units" *shall*
23 include units occupied by recipients of tenant-based rental assistance where the tenant-based
24 rental assistance program does not establish the tenant's share of base rent as a fixed
25 percentage of a tenant's income, such as in the Section 8 voucher program and the "Over-

1 FMR Tenancy” program defined in 24 CFR Section 982.4;

2 (B) For purposes of Sections 37.2, 37.3(a)(10)(B), 37.4, 37.5, 37.6, 37.9, 37.9A,
3 37.10A, 37.11A and 37.13, the term “rental units” *shall* include units occupied by recipients of
4 tenant-based rental assistance where the rent payable by the tenant under the tenant-based
5 rental assistance program is a fixed percentage of the tenant's income; such as in the Section
6 8 certificate program and the rental subsidy program for the Housing Opportunities for
7 Persons with Aids (“HOPWA”) program (42 U.S.C. Section 12901 et seq., as amended).

8 (5) Rental units located in a structure for which a certificate of occupancy was first
9 issued after the effective date of this ordinance, except as provided in Section 37.9A(b) of this
10 Chapter;

11 (6) Dwelling units in a building which has undergone substantial rehabilitation after
12 the effective date of this ordinance; provided, however, that RAP rental units are not subject to
13 this exemption.

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

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

25 (u) **Tenant-Based Rental Assistance.** Rental assistance provided directly to a

1 tenant or directly to a landlord on behalf of a particular tenant, which includes but shall not be
2 limited to certificates and vouchers issued pursuant to Section 8 of the United States Housing
3 Act of 1937, as amended (42 U.S.C. Section 1437f) and the HOPWA program.

4 (v) **Utilities.** The term "utilities" shall refer to gas and electricity exclusively.
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7 **SEC. 37.3. RENT LIMITATIONS. (a) Rent Increase Limitations for Tenants in**
8 **Occupancy.** Landlords may impose rent increases upon tenants in occupancy only as
9 provided below:

10 (1) **Annual Rent Increase.** On March 1st of each year, the Board shall publish the
11 increase in the CPI for the preceding 12 months, as made available by the U.S. Department of
12 Labor. A landlord may impose annually a rent increase which does not exceed a tenant's
13 base rent by more than 60 percent of said published increase. In no event, however, shall the
14 allowable annual increase be greater than seven percent.

15 (2) **Banking.** A landlord who refrains from imposing an annual rent increase or any
16 portion thereof may accumulate said increase and impose that amount on the tenant's
17 subsequent rent increase anniversary dates. A landlord who, between April 1, 1982, and
18 February 29, 1984, has banked an annual seven percent rent increase (or rent increases) or
19 any portion thereof may impose the accumulated increase on the tenant's subsequent rent
20 increase anniversary dates.

21 (3) **Capital Improvements, Rehabilitation, and Energy Conservation**
22 **Measures.** A landlord may impose rent increases based upon the cost of capital
23 improvements, rehabilitation or energy conservation measures provided that such costs are
24 certified pursuant to Sections 37.7 and 37.8B below; provided further that where a landlord
25 has performed seismic strengthening in accordance with Building Code Chapters 14 and 15,

1 no increase for capital improvements (including but not limited to seismic strengthening) shall
2 exceed, in any 12 month period, 10 percent of the tenant's base rent, subject to rules adopted
3 by the Board to prevent landlord hardship and to permit landlords to continue to maintain their
4 buildings in a decent, safe and sanitary condition. A landlord may accumulate any certified
5 increase which exceeds this amount and impose the increase in subsequent years, subject to
6 the 10 percent limitation. Nothing in this subsection shall be construed to supersede any
7 Board rules or regulations with respect to limitations on increases based upon capital
8 improvements whether performed separately or in conjunction with seismic strengthening
9 improvements pursuant to Building Code Chapters 14 and 15.

10 (4) **Utilities.** A landlord may impose increases based upon the cost of utilities as
11 provided in Section 37.2(q) above.

12 (5) **Charges Related to Excess Water Use.** A landlord may impose increases not
13 to exceed 50 percent of the excess use charges (penalties) levied by the San Francisco
14 Water Department on a building for use of water in excess of Water Department allocations
15 under the following conditions:

16 (A) The landlord provides tenants with written certification that the following have
17 been installed in all units: (1) permanently installed retrofit devices designed to reduce the
18 amount of water used per flush or low-flow toilets (1.6 gallons per flush); (2) low-flow
19 showerheads which allow a flow of no more than 2.5 gallons per minute; and (3) faucet
20 aerators (where installation on current faucets is physically feasible); and

21 (B) The landlord provides the tenants with written certification that no known
22 plumbing leaks currently exist in the building and that any leaks reported by tenants in the
23 future will be promptly repaired; and

24 (C) The landlord provides the tenants with a copy of the water bill for the period in
25 which the penalty was charged. Only penalties billed for a service period which begins after

1 the effective date of the ordinance [April 20, 1991] may be passed through to tenants. Where
2 penalties result from an allocation which does not reflect documented changes in occupancy
3 which occurred after March 1, 1991, a landlord must, if requested in writing by a tenant, make
4 a good-faith effort to appeal the allotment. Increases based upon penalties shall be prorated
5 on a per-room basis provided that the tenancy existed during the time the penalty charges
6 accrued. Such charges shall not become part of a tenant's base rent. Where a penalty in any
7 given billing period reflects a 25 percent or more increase in consumption over the prior billing
8 period, and where that increase does not appear to result from increased occupancy or any
9 other known use, a landlord may not impose any increase based upon such penalty unless
10 inspection by a licensed plumber or Water Department inspector fails to reveal a plumbing or
11 other leak. If the inspection does reveal a leak, no increase based upon penalties may be
12 imposed at any time for the period of the unrepaired leak.

13 (6) **Property Tax.** A landlord may impose increases based upon a change in the
14 landlord's property tax resulting from the repayment of general obligation bonds of the City
15 and County of San Francisco approved by the voters between November 1, 1996, and
16 November 30, 1998 as provided in Section 37.2(q) above. The amount of such increase shall
17 be determined for each tax year as follows:

18 (A) The Controller and the Board of Supervisors will determine the percentage of
19 the property tax rate, if any, in each tax year attributable to general obligation bonds approved
20 by the voters between November 1, 1996, and November 30, 1998, and repayable within
21 such tax year.

22 (B) This percentage shall be multiplied by the total amount of the net taxable value
23 for the applicable tax year. The result is the dollar amount of property taxes for that tax year
24 for a particular property attributable to the repayment of general obligation bonds approved by
25 the voters between November 1, 1996, and November 30, 1998.

1 (C) The dollar amount calculated under Subsection (B) shall be divided by the total
2 number of all units in each property, including commercial units. That figure shall be divided
3 by 12 months, to determine the monthly per unit costs for that tax year of the repayment of
4 general obligation bonds approved by the voters between November 1, 1996, and November
5 30, 1998.

6 (D) Landlords may pass through to each unit in a particular property the dollar
7 amount calculated under this Subsection (6). This passthrough may be imposed only on the
8 anniversary date of each tenant's occupancy of the property. This passthrough shall not
9 become a part of a tenant's base rent. The amount of each annual passthrough imposed
10 pursuant to this Subsection (6) may vary from year-to-year, depending on the amount
11 calculated under Subsections (A) through (C). Each annual passthrough shall apply only for
12 the 12 month period after it is imposed. A landlord may impose the passthrough described in
13 this Subsection (6) for a particular tax year only with respect to those tenants who were
14 residents of a particular property on November 1st of the applicable tax year. A landlord shall
15 not impose a passthrough pursuant to this Subsection (6) if the landlord has filed for or
16 received Board approval for a rent increase under Section 37.8(e)(4) for increased operating
17 and maintenance expenses in which the same increase in property taxes due to the
18 repayment of general obligation bonds was included in the comparison year cost totals.

19 (E) The Board will have available a form which explains how to calculate the
20 passthrough.

21 (F) Landlords must provide to tenants, at least 30 days prior to the imposition of the
22 passthrough permitted under this Subsection (6), a copy of the completed form described in
23 Subsection (E). This completed form shall be provided in addition to the Notice of Rent
24 Increase required under Section 37.3(b)(5). A tenants may petition for a hearing under the
25 procedure described in Section 37.8 where the tenant alleges that a landlord has imposed a

1 charge which exceeds the limitations set forth in this Subsection (6). In such a hearing, the
2 burden of proof shall be on the landlord. Tenant petitions regarding this passthrough must be
3 filed within one year of the effective date of the passthrough.

4 (G) The Board may amend its rules and regulations as necessary to implement this
5 Subsection (6).

6 (7) **RAP Loans.** A landlord may impose rent increases attributable to the City
7 Administrator's amortization of the RAP loan in an area designated on or after July 1, 1977,
8 pursuant to Chapter 32 of the San Francisco Administrative Code.

9 (8) **Additional Increases.** A landlord who seeks to impose any rent increase which
10 exceeds those permitted above shall petition for a rental arbitration hearing pursuant to
11 Section 37.8 of this Chapter.

12 (9) A landlord may impose a rent increase to recover costs incurred for the
13 remediation of lead hazards, as defined in San Francisco Health Code Article 26. Such
14 increases may be based on changes in operating and maintenance expenses or for capital
15 improvement expenditures as long as the costs which are the basis of the rent increase are a
16 substantial portion of the work which abates or remediates a lead hazard, as defined in San
17 Francisco Health Code Article 26, and provided further that such costs are approved for
18 operating and maintenance expense increases pursuant to Section 37.8(e)(4)(A) and certified
19 as capital improvements pursuant to Section 37.7 below.

20 When rent increases are authorized by this Subsection (a)(9), the total rent increase for
21 both operating and maintenance expenses and capital improvements shall not exceed 10
22 percent in any 12 month period. If allowable rent increases due to the costs of lead
23 remediation and abatement work exceed 10 percent in any 12 month period, an ((hearing
24 officer)) Administrative Law Judge shall apply a portion of such excess to approved operating
25 and maintenance expenses for lead remediation work, and the balance, if any, to certified

1 capital improvements, provided, however, that such increase shall not exceed 10 percent. A
2 landlord may accumulate any approved or certified increase which exceeds this amount,
3 subject to the 10 percent limit.

4 (10) With respect to units occupied by recipients of tenant-based rental assistance:

5 (A) If the tenant's share of the base rent is not calculated as a fixed percentage of
6 the tenant's income, such as in the Section 8 voucher program and the Over-FMR Tenancy
7 Program, then:

8 (i) If the base rent is equal to or greater than the payment standard, the rent
9 increase limitations in Sections 37.3(a)(1) and (2) shall apply to the entire base rent, and the
10 arbitration procedures for those increases set forth in Section 37.8 and 37.8A shall apply.

11 (ii) If the base rent is less than the payment standard, the rent increase limitations
12 of this Chapter shall not apply; provided, however, that any rent increase which would result in
13 the base rent being equal to or greater than the payment standard shall not result in a new
14 base rent that exceeds the payment standard plus the increase allowable under Section
15 37.3(a)(1).

16 (B) If the tenant's share of the base rent is calculated as a fixed percentage of the
17 tenant's income, such as in the Section 8 certificate program and the rental subsidy program
18 for the HOPWA program, the rent increase limitations in Section 37.3(a)(1) and (2) shall not
19 apply. In such circumstances, adjustments in rent shall be made solely according to the
20 requirements of the tenant-based rental assistance program.

21 (b) **Notice of Rent Increase for Tenants in Occupancy.** On or before the date
22 upon which a landlord gives a tenant legal notice of a rent increase, the landlord shall inform
23 the tenant, in writing, of the following:

24 (1) Which portion of the rent increase reflects the annual increase, and/or a banked
25 amount, if any;

1 (2) Which portion of the rent increase reflects costs for increased operating and
2 maintenance expenses, rents for comparable units, and/or capital improvements,
3 rehabilitation, or energy conservation measures certified pursuant to Section 37.7;

4 (3) Which portion of the rent increase reflects the passthrough of charges for gas
5 and electricity, or bond measure costs described in Section 37.3(a)(6) above, which charges
6 shall be explained in writing on a form provided by the Board as described in Section
7 37.3(a)(6)(E);

8 (4) Which portion of the rent increase reflects the amortization of the RAP loan, as
9 described in Section 37.3(a)(7) above.

10 (5) **Nonconforming Rent Increases.** Any rent increase which does not conform
11 with the provisions of this Section shall be null and void.

12 (6) With respect to rental units occupied by recipients of tenant-based rental
13 assistance, the notice requirements of this Subsection (b) shall be required in addition to any
14 notice required as part of the tenant-based rental assistance program.

15 (c) **Initial Rent Limitation for Subtenants.** A tenant who subleases his or her
16 rental unit may charge no more rent upon initial occupancy of the subtenant or subtenants
17 than that rent which the tenant is currently paying to the landlord.

18 (d) **Effect of Deferred Maintenance on Passthroughs for Lead Remediation**
19 **Techniques.**

20 (1) When lead hazards, which have been remediated or abated pursuant to San
21 Francisco Health Code Article 26, are also violations of State or local housing health and
22 safety laws, the costs of such work shall not be passed through to tenants as either a capital
23 improvement or an operating and maintenance expense if the ((hearing officer))
24 Administrative Law Judge finds that the deferred maintenance, as defined herein, of the
25 current or previous landlord caused or contributed to the existence of the violation of law.

1 (2) In any unit occupied by a lead-poisoned child and in which there exists a lead
2 hazard, as defined in San Francisco Health Code Article 26, there shall be a rebuttable
3 presumption that violations of State or local housing health and safety laws caused or created
4 by deferred maintenance, caused or contributed to the presence of the lead hazards. If the
5 landlord fails to rebut the presumption, that portion of the petition seeking a rent increase for
6 the costs of lead hazard remediation or abatement shall be denied. If the presumption is
7 rebutted, the landlord shall be entitled to a rent increase if otherwise justified by the standards
8 set forth in this Chapter.

9 (3) For purposes of the evaluation of petitions for rent increases for lead
10 remediation work, maintenance is deferred if a reasonable landlord under the circumstances
11 would have performed, on a regular basis, the maintenance work required to keep the
12 premises from being in violation of housing safety and habitability standards set forth in
13 California Civil Code Section 1941 and the San Francisco Municipal Code. In order to prevail
14 on a deferred maintenance defense, a tenant must show that the level of repair or remediation
15 currently required would have been lessened had maintenance been performed in a more
16 timely manner.

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19 **SEC. 37.5. MEETINGS OF THE BOARD.** (a) Time and place of meetings. The Board
20 shall meet as often as necessary to stay current with the workload but in no event less than
21 once a month. The time and place of meetings shall be determined by rules adopted by the
22 Board. The first meeting shall be held within 15 days of the appointment of the first Board. The
23 matter of establishing standards for the selection of ((hearing officers)) Administrative Law
24 Judges shall be considered at the first meeting.

25 (b) Quorum. A quorum for the transaction of official business shall consist of a

1 majority of the total Board members. No action may be taken by the Board at any meeting
2 attended by less than the quorum. A decision by the Board shall require a majority of all of the
3 members of the Board.

4 (c) Special meetings. The Board may hold special meetings in accordance with
5 Charter Section 3.500.

6 (d) Meetings open and public. All meetings of the Board shall be open and public in
7 accordance with the Charter and applicable State law.

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10 **SEC. 37.6. POWERS AND DUTIES.** In addition to other powers and duties set forth
11 in this Chapter, and in addition to powers under the Charter, the Board shall have the power
12 to:

13 (a) Promulgate policies, rules and regulations to effectuate the purposes of this
14 Chapter;

15 (b) Hire such staff, including ((hearing officers)) Administrative Law Judges, as may
16 be reasonably necessary to perform its functions, and promulgate standards for all such staff,
17 subject to the Civil Service provisions of the Charter;

18 (c) Conduct rental arbitration hearings and administer oaths and affirmations in
19 connection with such hearings;

20 (d) Publish, on March 1st of each year, the increase in the CPI for the preceding 12
21 months, as made available by the U.S. Department of Labor;

22 (e) Make studies and surveys and conduct such hearings as necessary to perform
23 its functions;

24 (f) Report biannually to the Mayor and the Board of Supervisors on its activities and
25 on progress made towards the achievement of the purposes of the Chapter;

1 (g) Make available to the public, on request, policies, rules and regulations, reports
2 and surveys in accordance with applicable State law;

3 (h) Issue rules and regulations for the conduct of its own affairs;

4 (i) Be empowered to request and, if granted, to receive funds appropriated by the
5 Board of Supervisors through the mayor;

6 (j) Maintain, on at least a monthly basis, statistics on the number of notices to
7 vacate filed with the Board pursuant to Section 37.9(c) and statistics on the causes given in
8 such notices or in any additional written documents as provided in Section 37.9(c). Said
9 statistics shall be published in a report on March 1st every year, and copies of the report shall
10 be submitted to the Mayor and Board of Supervisors;

11 (k) Compile a list at random, on a monthly basis, of 10 percent of the notices to
12 vacate filed pursuant to Section 37.9(c) which state on the notice or in any additional written
13 document any causes under Section 37.9(a)(8) as the reason for eviction. Said list shall be
14 transmitted to the District Attorney on a monthly basis for investigation pursuant to Section
15 37.9(c).

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18 **SEC. 37.7. CERTIFICATION OF RENTAL INCREASES FOR CAPITAL**
19 **IMPROVEMENTS, REHABILITATION WORK AND ENERGY CONSERVATION**

20 **MEASURES.** (a) **Authority.** In accordance with such guidelines as the Board shall establish,
21 the Board and designated ((hearing officers)) Administrative Law Judges shall have the
22 authority to conduct hearings in order to certify rental increases to the extent necessary to
23 amortize the cost of capital improvements, rehabilitations, and energy conservation measures.
24 Costs determined to be attributable to such work shall be amortized over a period which is fair
25 and reasonable for the type and the extent of the work and which will provide an incentive to

1 landlords to maintain, improve and renovate their properties while at the same time protecting
2 tenants from excessive rent increases. Costs attributable to routine repair and maintenance
3 shall not be certified.

4 (b) **Requirements for Certification.** The Board and designated ((hearing officers))
5 Administrative Law Judges may only certify the costs of capital improvements, rehabilitation,
6 and energy conservation measures where the following criteria are met:

7 (1) The landlord completed capital improvements or rehabilitation on or after April
8 15, 1979, or the landlord completed installation of energy conservation measures on or after
9 July 24, 1982, and has filed a proof of compliance with the Bureau of Building Inspection in
10 accordance with the requirements of Section 1207(d) of the Housing Code;

11 (2) The landlord has not yet increased the rent or rents to reflect the cost of said
12 work;

13 (3) The landlord has not been compensated for the work by insurance proceeds;

14 (4) The building is not subject to a RAP loan in a RAP area designated prior to July
15 1, 1977;

16 (5) The landlord files the certification petition no later than five years after the work
17 has been completed.

18 (c) **Amortization and Cost Allocation.** The Board shall establish amortization
19 periods and cost allocation formulas. Costs shall be allocated to each unit according to the
20 benefit of the work attributable to such unit.

21 (d) **Estimator.** The Board or its Executive Director may hire an estimator where an
22 expert appraisal is required.

23 (e) **Filing Fee.** The Board shall establish a filing fee based upon the cost of the
24 capital improvement, rehabilitation, or energy conservation measures being reviewed. Such
25 fees will pay for the costs of an estimator. These fees shall be deposited in the Residential

1 Rent Stabilization and Arbitration Fund pursuant to Section 10.117- 88 of this Code.

2 (f) **Application Procedures.**

3 (1) Filing. Landlords who seek to pass through the costs of capital improvements,
4 rehabilitation, or energy conservation measures must file an application on a form prescribed
5 by the Board. The application shall be accompanied by such supporting material as the Board
6 shall prescribe. All applications must be submitted with the filing fee established by the Board.

7 (2) Filing Date. Applications must be filed prior to the mailing or delivery of legal
8 notice of a rent increase to the tenants of units for which the landlord seeks certification and in
9 no event more than five years after the work has been completed.

10 (3) Effect of Filing Application. Upon the filing of the application, the requested
11 increases will be inoperative until such time as the ((hearing officer)) Administrative Law
12 Judge makes findings of fact at the conclusion of the certification hearing.

13 (4) Notice to Parties. The Board shall calendar the application for hearing before a
14 designated ((hearing officer)) Administrative Law Judge and shall give written notice of the
15 date to the parties at least 10 days prior to the hearing.

16 (g) **Certification Hearings.**

17 (1) **Time of Hearing.** The hearing shall be held within 45 days of the filing of the
18 application.

19 (2) **Consolidation.** To the greatest extent possible, certification hearings with
20 respect to a given building shall be consolidated. Where a landlord and/or tenant has filed a
21 petition for hearing based upon the grounds and under the procedure set forth in Section 37.8,
22 the Board may, in its discretion, consolidate certification hearings with hearings on Section
23 37.8 petitions.

24 (3) **Conduct of Hearing.** The hearing shall be conducted by an ((hearing officer))
25 Administrative Law Judge designated by the Board. Both parties may offer such documents,

1 testimony, written declarations or other evidence as may be pertinent to the proceedings.
2 Burden of proof is on the landlord. A record of the proceedings must be maintained for
3 purposes of appeal.

4 (4) **Determination of the ((Hearing Officer)) Administrative Law Judge.** In
5 accordance with the Board's amortization schedules and cost allocation formulas, the
6 ((hearing officer)) Administrative Law Judge shall make findings as to whether or not the
7 proposed rent increases are justified based upon the following considerations:

8 (A) The application and its supporting documentation.

9 (B) Evidence presented at the hearing establishing both the extent and the cost of
10 the work performed.

11 (C) Estimator's report, where such report has been prepared.

12 (D) Any other such relevant factors as the Board shall specify in rules and
13 regulations.

14 (5) **Findings of Fact.** The ((hearing officer)) Administrative Law Judge shall make
15 written findings of fact, copies of which shall be mailed within 30 days of the hearing.

16 (6) **Payment or Refund of Rents to Implement Certification Decision.** If the
17 ((hearing officer)) Administrative Law Judge finds that all or any portion of the heretofore
18 inoperative rent increase is justified, the tenant shall be ordered to pay the landlord that
19 amount. If the tenant has paid an amount to the landlord which the ((hearing officer))
20 Administrative Law Judge finds unjustified, the ((hearing officer)) Administrative Law Judge
21 shall order the landlord to reimburse the tenant said amount.

22 (7) **Finality of ((Hearing Officer's)) Administrative Law Judge's Decision.** The
23 decision of the ((hearing officer)) Administrative Law Judge shall be final unless the Board
24 vacates his or her decision on appeal.

25 (8) **Appeals.** Either party may file an appeal of the ((hearing officer's))

1 Administrative Law Judge's decision with the Board. Such appeals are governed by Section
2 37.8(f) below.

3
4
5 **SEC. 37.8. ARBITRATION OF RENTAL INCREASE ADJUSTMENTS.** (a) **Authority**
6 **of Board and ((Hearing Officers)) Administrative Law Judges.** In accordance with such
7 guidelines as the Board shall establish, the Board and designated ((hearing officers))
8 Administrative Law Judges shall have the authority to arbitrate rental increase adjustments,
9 and to administer the rent increase protest procedures with respect to RAP rental units as set
10 forth in Chapter 32 of the San Francisco Administrative Code.

11 (b) **Request for Arbitration.**

12 (1) **Landlords.** Landlords who seek to impose rent increases which exceed the
13 limitations set forth in Section 37.3(a) above must request an arbitration hearing as set forth in
14 this Section. The burden of proof is on the landlord.

15 (2) **Tenants.**

16 (A) Notwithstanding Section 37.3, tenants of non-RAP rental units and tenants of
17 RAP rental units in areas designated on or after July 1, 1977, may request arbitration hearings
18 where a landlord has substantially decreased services without a corresponding reduction in
19 rent and/or has failed to perform ordinary repair and maintenance under State or local law
20 and/or has failed to provide the tenant with a clear explanation of the current charges for gas
21 and electricity or bond measure costs passed through to the tenant and/or imposed a
22 nonconforming rent increase which is null and void. The burden of proof is on the tenant.

23 (B) Tenants of RAP rental units in areas designated prior to July 1, 1977, may
24 petition for a hearing where the landlord has noticed an increase which exceeds the
25 limitations set forth in Section 32.73 of the San Francisco Administrative Code. After a

1 vacancy has occurred in a RAP rental unit in said areas, a new tenant of said unit may petition
2 for a hearing where the landlord has demanded and/or received a rent for that unit which
3 exceeds the rent increase limitations set forth in Section 32.73 of the San Francisco
4 Administrative Code. The burden of proof is on the landlord.

5 (c) **Procedure for Landlord Petitioners.**

6 (1) **Filing.** The request for arbitration must be filed on a petition form prescribed by
7 the Board and shall be accompanied by such supporting material as the Board shall
8 prescribe, including but not limited to, justification for the proposed rental increase.

9 (2) **Filing Date.** The petition must be filed prior to the mailing or delivering to the
10 tenant or tenants legal notice of the rental increase exceeding the limitations as defined in
11 Section 37.3.

12 (3) **Effect of Timely Filing of Petition.** Provided a completed petition is timely filed,
13 that portion of the requested rental increase which exceeds the limitations set forth in Section
14 37.3 and has not been certified as a justifiable increase in accordance with Section 37.7 is
15 inoperative until such time as the ((hearing officer)) Administrative Law Judge makes findings
16 of fact at the conclusion of the arbitration hearing.

17 (4) **Notice to Parties.** The Board shall calendar the petition for hearing before a
18 designated ((hearing officer)) Administrative Law Judge and shall give written notice of the
19 date to the parties at least 10 days prior to the hearing.

20 (d) **Procedure for Tenant Petitioners.**

21 (1) **Filing; Limitation.** The request for arbitration must be filed on a petition form
22 prescribed by the Board and must be accompanied by such supporting material as the Board
23 shall prescribe, including but not limited to, a copy of the landlord's notice of rent increase. If
24 the tenant petitioner has received certification findings regarding his rental unit in accordance
25 with Section 37.7, such findings must accompany the petition. If the tenant petitioner has

1 received a notification from the Chief Administrative Officer with respect to base rent and
2 amortization of a RAP loan, such notification must accompany the petition. Tenant petitions
3 regarding the gas and electricity passthrough must be filed within one year of the effective
4 date of the pass-through or within one year of the date the passthrough was required to be
5 recalculated pursuant to rules and regulations promulgated by the Board. Tenant petitions
6 regarding the bond passthrough described in Section 37.3(a)(6) must be filed within one year
7 of the effective date of the passthrough.

8 (2) **Notice to Parties.** The Board shall calendar the petition for hearing before a
9 designated ((hearing officer)) Administrative Law Judge and shall give written notice of the
10 date to the parties at least 10 days prior to the hearing. Responses to a petition for hearing
11 may be submitted in writing.

12 (e) **Hearings.**

13 (1) **Time of Hearing.** The hearing shall be held within 45 days of the filing of the
14 petition. The level of housing services provided to tenants' rental units shall not be decreased
15 during the period between the filing of the petition and the conclusion of the hearing.

16 (2) **Consolidation.** To the greatest extent possible, hearings with respect to a given
17 building shall be consolidated.

18 (3) **Conduct of Hearing.** The hearing shall be conducted by an ((hearing officer))
19 Administrative Law Judge designated by the Board. Both parties may offer such documents,
20 testimony, written declarations or other evidence as may be pertinent to the proceedings. A
21 record of the proceedings must be maintained for purposes of appeal.

22 (4) **Determination of the ((Hearing Officer)) Administrative Law Judge: Rental**
23 **Units.** Based upon the evidence presented at the hearing and upon such relevant factors as
24 the Board shall determine, the ((hearing officer)) Administrative Law Judge shall make
25 findings as to whether or not the landlord's proposed rental increase exceeding the limitations

1 set forth in Section 37.3 is justified or whether or not the landlord has effected a rent increase
2 through a reduction in services or has failed to perform ordinary repair and maintenance as
3 required by State or local law; and provided further that, where a landlord has imposed a
4 passthrough for property taxes pursuant to Section 37.3(6)(D), the same increase in property
5 taxes shall not be included in the calculation of increased operating and maintenance
6 expenses pursuant to this Subsection (4). In making such findings, the ((hearing officer))
7 Administrative Law Judge shall take into consideration the following factors:

8 (A) Increases or decreases in operating and maintenance expenses, including, but not
9 limited to, real estate taxes, sewer service charges, janitorial service, refuse removal, elevator
10 service, security system, and debt service; provided, however, when a unit is purchased after
11 the effective date of this ordinance, and this purchase occurs within two years of the date of
12 the previous purchase, consideration shall not be given to that portion of increased debt
13 service which has resulted from a selling price which exceeds the seller's purchase price by
14 more than the percentage increase in the "Consumer Price Index for All Urban Consumers for
15 the San Francisco-Oakland Metropolitan Area, U.S. Department of Labor" between the date of
16 previous purchase and the date of the current sale, plus the cost of capital improvements or
17 rehabilitation work made or performed by the seller.

18 (B) The past history of increases in the rent for the unit and the comparison of the
19 rent for the unit with rents for comparable units in the same general area.

20 (C) Any findings which have been made pursuant to Section 37.7 with respect to the
21 unit.

22 (D) Failure to perform ordinary repair, replacement and maintenance in compliance
23 with applicable State and local law.

24 (E) Any other such relevant factors as the Board shall specify in rules and
25 regulations.

1 (5) **Determination of the ((Hearing Officer)) Administrative Law Judge: RAP**
2 **Rental Units.** (A) **RAP Rental Units in RAP Areas Designated Prior to July 1, 1977.** The
3 ((hearing officer)) Administrative Law Judge shall make findings as to whether or not the
4 noticed or proposed rental increase exceeds the rent increase limitations set forth in Section
5 32.73 of the San Francisco Administrative Code. In making such findings, the ((hearing
6 officer)) Administrative Law Judge shall apply the rent increase limitations set forth in Chapter
7 32 of the San Francisco Administrative Code and all rules and regulations promulgated
8 pursuant thereto. The ((hearing officer)) Administrative Law Judge shall consider the evidence
9 presented at the hearing. The burden of proof shall be on the landlord.

10 (B) **RAP Rental Units in RAP Areas Designated On or After July 1, 1977.** The
11 ((hearing officer)) Administrative Law Judge shall make findings with respect to rent increases
12 exceeding the limitations as set forth in Section 37.3 of this Chapter. In making such findings,
13 the ((hearing officer)) Administrative Law Judge shall take into consideration the factors set
14 forth in Subsection (4) above and shall consider evidence presented at the hearing. The
15 burden of proof is on the landlord.

16 (6) **Findings of Fact.** The ((hearing officer)) Administrative Law Judge shall make
17 written findings of fact, copies of which shall be mailed to the parties within 30 days of the
18 hearing.

19 (7) **Payment or Refund of Rents to Implement Arbitration Decision.** Upon
20 finding that all or any portion of the rent increase is or is not justified, or that any
21 nonconforming rent increase is null and void, the ((hearing officer)) Administrative Law Judge
22 may order payment or refund of all or a portion of that cumulative amount within 15 days of
23 the mailing of the findings of fact or may order the amount added to or offset against future
24 rents; provided, however, that any such order shall be stayed if an appeal is timely filed by the
25 aggrieved party. The ((hearing officer)) Administrative Law Judge may order refunds of rent

1 overpayments resulting from rent increases which are null and void for no more than the
2 three-year period preceding the month of the filing of a landlord or tenant petition, plus the
3 period between the month of filing and the date of the ((hearing officer's)) Administrative Law
4 Judge's decision. In any case, calculation of rent overpayments and re-setting of the lawful
5 base rent shall be based on a determination of the validity of all rent increases imposed since
6 April 1, 1982, in accordance with Sections 37.3(b)(5) and 37.3(a)(2) above.

7 (8) **Finality of ((Hearing Officer's)) Administrative Law Judge's Decision.** The
8 decision of the ((hearing officer)) Administrative Law Judge shall be final unless the Board
9 vacates his decision on appeal.

10 (f) **Appeals.**

11 (1) **Time and Manner.** Any appeal to the Board from the determination of the
12 ((hearing officer)) Administrative Law Judge must be made within 15 calendar days of the
13 mailing of the findings of fact unless such time limit is extended by the Board upon a showing
14 of good cause. If the fifteenth day falls on a Saturday, Sunday or legal holiday, the appeal
15 may be filed with the Board on the next business day. The appeal shall be in writing and must
16 state why appellant believes there was either error or abuse of discretion on the part of the
17 ((hearing officer)) Administrative Law Judge. The filing of an appeal will stay only that portion
18 of any ((hearing officer's)) Administrative Law Judge's decision which permits payment,
19 refund, offsetting or adding rent.

20 (2) **Record on Appeal.** Upon receipt of an appeal, the entire administrative record
21 of the matter, including the appeal, shall be filed with the Board.

22 (3) **Appeals.** The Board shall, in its discretion, hear appeals. In deciding whether or
23 not to hear a given appeal, the Board shall consider, among other factors, fairness to the
24 parties, hardship to either party, and promoting the policies and purposes of this Chapter, in
25 addition to any written comments submitted by the ((hearing officer)) Administrative Law

1 Judge whose decision is being challenged. The Board may also review other material from
2 the administrative record of the matter as it deems necessary. A vote of three members shall
3 be required in order for an appeal to be heard.

4 (4) **Remand to ((Hearing Officer)) Administrative Law Judge ((w))Without**
5 **Appeal Hearing.** In those cases where the Board is able to determine on the basis of the
6 documents before it that the ((hearing officer)) Administrative Law Judge has erred, the Board
7 may remand the case for further hearing in accordance with its instructions without conducting
8 an appeal hearing. Both parties shall be notified as to the time of the re-hearing, which shall
9 be conducted within 30 days of remanding by the Board. In those cases where the Board is
10 able to determine on the basis of the documents before it that the ((hearing officer's))
11 Administrative Law Judge's findings contain numerical or clerical inaccuracies, or require
12 clarification, the Board may continue the hearing for purposes of re-referring the case to said
13 ((hearing officer)) Administrative Law Judge in order to correct the findings.

14 (5) **Time of Appeal Hearing; Notice to Parties.** Appeals accepted by the Board
15 shall be heard within 45 days of the filing of an appeal. Within 30 days of the filing of an
16 appeal, both parties shall be notified in writing as to whether or not the appeal has been
17 accepted. If the appeal has been accepted, the notice shall state the time of the hearing and
18 the nature of the hearing. Such notice must be mailed at least 10 days prior to the hearing.

19 (6) **Appeal Hearing; Decision of the Board.** At the appeal hearing, both appellant
20 and respondent shall have an opportunity to present oral testimony and written documents in
21 support of their positions. After such hearing and after any further investigation which the
22 Board may deem necessary the Board may, upon hearing the appeal, affirm, reverse or
23 modify the ((hearing officer's)) Administrative Law Judge's decision or may remand the case
24 for further hearing in accordance with its findings. The Board's decision must be rendered
25 within 45 days of the hearing and the parties must be notified of such decision.

1 (7) **Notification of the Parties.** In accordance with item (6) above, parties shall
2 receive written notice of the decision. The notice shall state that this decision is final.

3 (8) **Effective Date of Appeal Decisions.** Appeal decisions are effective on the date
4 mailed to the parties; provided, however, that that portion of any decision which orders
5 payment, refund, offsetting or adding rent shall become effective 30 calendar days after it is
6 mailed to the parties unless a stay of execution is granted by a court of competent jurisdiction.

7 (9) **Limitation of Actions.** A landlord or tenant aggrieved by any decision of the
8 Board must seek judicial review within 90 calendar days of the date of mailing of the decision.

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11 **SEC. 37.8A. EXPEDITED HEARING PROCEDURES.** As an alternative to the hearing
12 procedures set forth in Sections 37.7(g) and 37.8(e) above, a landlord or tenant may, in
13 certain cases, obtain an expedited hearing and final order with the written consent of all
14 parties. This Section contains the exclusive grounds and procedures for such hearings.

15 (a) **Applicability.** A tenant or landlord may seek an expedited hearing for the
16 following petitions only:

17 (1) Any landlord capital improvement petition where the proposed increase for
18 certified capital improvement costs does not exceed the greater of 10 percent or \$30 of a
19 tenant's base rent and the parties stipulate to the cost of the capital improvements;

20 (2) Any tenant petition alleging decreased housing services with a past value not
21 exceeding \$1,000 as of the date the petition is filed;

22 (3) Any tenant petition alleging the landlord's failure to repair and maintain the
23 premises as required by state or local law;

24 (4) Any tenant petition alleging unlawful rent increases where the parties stipulate to
25 the tenant's rent history and the rent overpayments do not exceed a total of \$1,000 as of the

1 date the petition is filed;

2 (5) Any petition concerning jurisdictional questions where the parties stipulate to the
3 relevant facts.

4 (b) **Hearing Procedures.** The petition application procedures of Section 37.7(f) and
5 Section 37.8(c) and (d) apply to petitions for expedited hearings. The hearings shall be
6 conducted according to the following procedures:

7 (1) **Time of Hearing.** The hearing must be held within 21 days of the filing of the
8 written consent of all the parties. The level of housing services provided to tenants' rental
9 units shall not be decreased during the period between the filing of the petition and the
10 conclusion of the hearing.

11 (2) **Consolidation.** To the greatest extent possible, and only with the consent of the
12 parties, hearings with respect to a given building shall be consolidated.

13 (3) **Conduct of Hearing.** The hearing shall be conducted by an an ((hearing officer))
14 Administrative Law Judge designated by the Board. Both parties may offer such documents,
15 testimony, written declarations or other evidence as may be pertinent to the proceedings.
16 Stipulations of the parties as required under Section 37.8A(b)(1), (b)(4) and (b)(5) shall be
17 required as evidence. Burden of proof requirements set forth in Sections 37.7 and 37.8 are
18 applicable to the hearing categories in Section 37.8A(b) above. No record of the hearing shall
19 be maintained for any purpose.

20 (4) **Order of the ((Hearing Officer)) Administrative Law Judge.** Based upon all
21 criteria set forth in Sections 37.7(4) and 37.8(e)(4) governing the petition, the ((hearing
22 officer)) Administrative Law Judge shall make a written order no later than 10 days after the
23 hearing. The ((hearing officer)) Administrative Law Judge shall make no findings of fact. The
24 ((hearing officer)) Administrative Law Judge shall order payment or refund of amounts owing
25 to a party or parties, if amounts are owed, within a period of time not to exceed 45 days.

1 (5) **Stay of Order.** The ((hearing officer's)) Administrative Law Judge's order shall
2 be stayed for 15 days from the date of issuance. During this period, either party may lodge a
3 written objection to the order with the Board. If the Board receives such objection within this
4 period, the order is automatically dissolved and the petitioning party may refile the petition for
5 hearing under any other appropriate hearing procedure set forth in this chapter.

6 (6) **Finality of ((Hearing Officer's)) Administrative Law Judge's Order.** If no
7 objection to the ((hearing officer's)) Administrative Law Judge's order is made pursuant to
8 Subsection (c)(5) above, the order becomes final. The order is not subject to appeal to the
9 Board under Section 37.8(f) nor is it subject to judicial review pursuant to Section 37.8(f)(9).

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12 **SEC. 37.8B. EXPEDITED HEARING AND APPEAL PROCEDURES FOR CAPITAL**
13 **IMPROVEMENTS RESULTING FROM SEISMIC WORK ON UNREINFORCED MASONRY**
14 **BUILDINGS PURSUANT TO BUILDING CODE CHAPTERS 14 AND 15 WHERE**
15 **LANDLORDS PERFORMED THE WORK WITH A UMB BOND LOAN.** This section contains
16 the exclusive procedures for all hearings concerning certification of the above-described
17 capital improvements. Landlords who perform such work without a UMB bond loan are subject
18 to the capital improvement certification procedures set forth in Section 37.7 above.

19 (a) **Requirements for Certification.** The landlord must have completed the capital
20 improvements in compliance with the requirements of Building Code Chapters 14 and 15. The
21 certification requirements of Section 37.7(b)(2) and (b)(3) are also applicable.

22 (b) **Amortization and Cost Allocation; Interest.** Costs shall be equally allocated
23 to each unit and amortized over a 10-year period or the life of any loan acquired for the capital
24 improvements, whichever is longer. Interest shall be limited to the actual interest rate charged
25 on the loan and in no event shall exceed 10 percent per year.

1 (c) **Eligible Items; Costs.** Only those items required in order to comply with
2 Building Code Chapters 14 and 15 may be certified. The allowable cost of such items may not
3 exceed the costs set forth in the Mayor's Office of Economic Planning and Development's
4 publication of estimated cost ranges for bolts plus retrofitting by building prototype and/or
5 categories of eligible construction activities.

6 (d) **Hearing Procedures.** The application procedures of Section 37.7(f) apply to
7 petitions for these expedited capital improvement hearings; provided, however, that the
8 landlord shall pay no filing fee since the Board will not hire an estimator. The hearings shall be
9 conducted according to the following conducted according to the following procedures:

10 (1) **Time of Hearing; Consolidation; Conduct of Hearing.** The hearing must be
11 held within 21 days of the filing of the application. The consolidation and hearing conduct
12 procedures of Section 37.7(g)(2) and (g)(3) apply.

13 (2) **Determination of ((Hearing Officer)) Administrative Law Judge.** In
14 accordance with the requirements of this section, the ((hearing officer)) Administrative Law
15 Judge shall make findings as to whether or not the proposed rent increases are justified
16 based upon the following considerations:

17 (A) The application and its supporting documentation;

18 (B) Evidence presented at the hearing establishing both the extent and the cost of
19 the work performed; and

20 (C) The Mayor's Office of Planning and Economic Development's bolts plus cost
21 range publication; and

22 (D) Tenant objections that the work has not been completed; and

23 (E) Any other such relevant factors as the Board shall specify in rules and
24 regulations.

25 (3) **Findings of Fact; Effect of Decision.** The ((hearing officer)) Administrative

1 Law Judge shall make written findings of fact, copies of which shall be mailed within 21 days
2 of the hearing. The decision of the ((hearing officer)) Administrative Law Judge is final unless
3 the Board vacates it on appeal.

4 (e) **Appeals.** Either party may appeal the ((hearing officer's)) Administrative Law
5 Judge's decisions in accordance with the requirements of Section 37.8(f)(1), (f)(2) and (f)(3).
6 The Board shall decide whether or not to accept an appeal within 21 days.

7 (1) **Time of Appeal Hearing; Notice to Parties; Record; Conduct of Hearing.**
8 The appeal procedures of Section 37.8(f)(5), (f)(6), (f)(7), (f)(8) and (f)(9) apply; provided,
9 however, that the Board's decision shall be rendered within 20 days of the hearing.

10 (2) **Rent Increases.** A landlord may not impose any rent increase approved by the
11 Board on appeal without at least 60 days' notice to the tenants.

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14 **SEC. 37.9. EVICTIONS.** Notwithstanding Section 37.3, this Section shall apply as of
15 August 24, 1980, to all landlords and tenants of rental units as defined in Section 37.2(r).

16 (a) A landlord shall not endeavor to recover possession of a rental unit unless:

17 (1) The tenant has failed to pay the rent to which the landlord is lawfully entitled
18 under the oral or written agreement between the tenant and landlord or habitually pays the
19 rent late or gives checks which are frequently returned because there are insufficient funds in
20 the checking account; or

21 (2) The tenant has violated a lawful obligation or covenant of tenancy other than the
22 obligation to surrender possession upon proper notice and failure to cure such violation after
23 having received written notice thereof from the landlord, provided further that notwithstanding
24 any lease provision to the contrary, a landlord shall not endeavor to recover possession of a
25 rental unit as a result of subletting of the rental unit by the tenant if the landlord has

1 unreasonably withheld the right to sublet following a written request by the tenant, so long as
2 the tenant continues to reside in the rental unit and the sublet constitutes a one-for-one
3 replacement of the departing tenant(s). If the landlord fails to respond to the tenant in writing
4 within fourteen (14) days of receipt of the tenant's written request, the tenant's request shall
5 be deemed approved by the landlord; or

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

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

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

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

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

22 (8) The landlord seeks to recover possession in good faith, without ulterior reasons
23 and with honest intent:

24 (i) For the landlord's use or occupancy as his or her principal residence for a period
25 of at least 36 continuous months;

1 (ii) For the use or occupancy of the landlord's grandparents, grandchildren, parents,
2 children, brother or sister, or the landlord's spouse, or the spouses of such relations, as their
3 principal place of residency for a period of at least 36 months, in the same building in which
4 the landlord resides as his or her principal place of residency, or in a building in which the
5 landlord is simultaneously seeking possession of a rental unit under Section 37.9(a)(8)(i). For
6 purposes of this Section 37.9(a)(8)(ii), the term spouse shall include domestic partners as
7 defined in San Francisco Administrative Code Sections 62.1 through 62.8.

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

19 (iv) A landlord may not recover possession under this Section 37.9(a)(8) if a
20 comparable unit owned by the landlord is already vacant and is available, or if such a unit
21 becomes vacant and available before the recovery of possession of the unit. If a comparable
22 unit does become vacant and available before the recovery of possession, the landlord shall
23 rescind the notice to vacate and dismiss any action filed to recover possession of the
24 premises. Provided further, if a noncomparable unit becomes available before the recovery of
25 possession, the landlord shall offer that unit to the tenant at a rent based on the rent that the

1 tenant is paying, with upward or downward adjustments allowed based upon the condition,
2 size, and other amenities of the replacement unit. Disputes concerning the initial rent for the
3 replacement unit shall be determined by the Rent Board. It shall be evidence of a lack of good
4 faith if a landlord times the service of the notice, or the filing of an action to recover
5 possession, so as to avoid moving into a comparable unit, or to avoid offering a tenant a
6 replacement unit.

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

11 (vi) Once a landlord has successfully recovered possession of a rental unit pursuant
12 to Section 37.9(a)(8)(i), then no other current or future landlords may recover possession of
13 any other rental unit in the building under Section 37.9(a)(8)(i). It is the intention of this
14 Section that only one specific unit per building may be used for such occupancy under Section
15 37.9(a)(8)(i) and that once a unit is used for such occupancy, all future occupancies under
16 Section 37.9(a)(8)(i) must be of that same unit, provided that a landlord may file a petition with
17 the Rent Board, or at the landlord's option, commence eviction proceedings, claiming that
18 disability or other similar hardship prevents him or her from occupying a unit which was
19 previously occupied by the landlord.

20 (vii) If any provision or clause of this amendment to Section 37.9(a)(8) or the
21 application thereof to any person or circumstance is held to be unconstitutional or to be
22 otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other
23 chapter provisions, and clauses of this Chapter are held to be severable; or

24 (9) The landlord seeks to recover possession in good faith in order to sell the unit in
25 accordance with a condominium conversion approved under the San Francisco subdivision

1 ordinance and does so without ulterior reasons and with honest intent; or

2 (10) The landlord seeks to recover possession in good faith in order to demolish or to
3 otherwise permanently remove the rental unit from housing use and has obtained all the
4 necessary permits on or before the date upon which notice to vacate is given, and does so
5 without ulterior reasons and with honest intent; provided that a landlord who seeks to
6 demolish an unreinforced masonry building pursuant to Building Code Chapters 14 and 15
7 must provide the tenant with the relocation assistance specified in Section 37.9A(f) below
8 prior to the tenant's vacating the premises; or

9 (11) The landlord seeks in good faith to remove temporarily the unit from housing use
10 in order to be able to carry out capital improvements or rehabilitation work and has obtained
11 all the necessary permits on or before the date upon which notice to vacate is given, and does
12 so without ulterior reasons and with honest intent. Any tenant who vacates the unit under such
13 circumstances shall have the right to reoccupy the unit at the prior rent adjusted in
14 accordance with the provisions of this Chapter. The tenant will vacate the unit only for the
15 minimum time required to do the work. On or before the date upon which notice to vacate is
16 given, the landlord shall advise the tenant in writing that the rehabilitation or capital
17 improvement plans are on file with the Central Permit Bureau of the Department of Public
18 Works and that arrangements for reviewing such plans can be made with the Central Permit
19 Bureau. In addition to the above, no landlord shall endeavor to recover possession of any unit
20 subject to a RAP loan as set forth in Section 37.2(m) of this Chapter except as provided in
21 Section 32.69 of the San Francisco Administrative Code. The tenant shall not be required to
22 vacate pursuant to this Section 37.9(a)(11), for a period in excess of three months; provided,
23 however, that such time period may be extended by the Board or its ((hearing officers))
24 Administrative Law Judges upon application by the landlord. The Board shall adopt rules and
25 regulations to implement the application procedure. Any landlord who seeks to recover

1 possession under this Section 37.9(a)(11) shall pay the tenant actual costs up to \$1,000 for
2 moving and relocation expenses not less than 10 days prior to recovery of possession; or

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

9 (13) The landlord, who does not have cause to evict under any other provision of this
10 Section 37.9(a), wishes to withdraw from rent or lease all rental units within any detached
11 physical structure and, in addition, in the case of any detached physical structure containing
12 three or fewer rental units, any other rental units on the same lot, and complies in full with
13 Section 37.9A with respect to each such unit; provided, however, that a unit classified as a
14 residential unit under Chapter 41 of this Code which is vacated under this Section 37.9(a)(13)
15 may not be put to any use other than that of a residential hotel unit without compliance with
16 the provisions of Section 41.9 of this Code; or

17 (14) The landlord seeks in good faith to temporarily recover possession of the unit for
18 less than 30 days solely for the purpose of effecting lead remediation or abatement work, as
19 required by San Francisco Health Code Article 26. The relocation rights and remedies,
20 established by San Francisco Administrative Code Chapter 72, including but not limited to, the
21 payment of financial relocation assistance, shall apply to evictions under this Section
22 37.9(a)(14).

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

25 (c) A landlord shall not endeavor to recover possession of a rental unit unless at

1 least one of the grounds enumerated in Section 37.9(a) or (b) above is the landlord's
2 dominant motive for recovering possession and unless the landlord informs the tenant in
3 writing on or before the date upon which notice to vacate is given of the grounds under which
4 possession is sought and that advice regarding the notice to vacate is available from the
5 Residential Rent Stabilization and Arbitration Board, before endeavoring to recover
6 possession. A copy of all notices to vacate except three-day notices to vacate or pay rent and
7 a copy of any additional written documents informing the tenant of the grounds under which
8 possession is sought shall be filed with the Board within 10 days following service of the
9 notice to vacate. The District Attorney shall determine whether the units set forth on the list
10 compiled in accordance with Section 37.6(k) are still being occupied by the tenant who
11 succeeded the tenant upon whom the notice was served. In cases where the District Attorney
12 determines that Section 37.9(a)(8) has been violated, the District Attorney shall take whatever
13 action he deems appropriate under this Chapter or under State law.

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

21 (e) It shall be unlawful for a landlord or any other person who wilfully assists the
22 landlord to endeavor to recover possession or to evict a tenant except as provided in Section
23 37.9(a) and (b). Any person endeavoring to recover possession of a rental unit from a tenant
24 or evicting a tenant in a manner not provided for in Section 37.9(a) or (b) without having a
25 substantial basis in fact for the eviction as provided for in Section 37.9(a) shall be guilty of a

1 misdemeanor and shall be subject, upon conviction, to the fines and penalties set forth in
2 Section 37.10. Any waiver by a tenant of rights under this Chapter shall be void as contrary to
3 public policy.

4 (f) Whenever a landlord wrongfully endeavors to recover possession or recovers
5 possession of a rental unit in violation of Sections 37.9 and/or 37.10 as enacted herein, the
6 tenant or Board may institute a civil proceeding for injunctive relief, money damages of not
7 less than three times actual damages, (including damages for mental or emotional distress),
8 and whatever other relief the court deems appropriate. In the case of an award of damages
9 for mental or emotional distress, said award shall only be trebled if the trier of fact finds that
10 the landlord acted in knowing violation of or in reckless disregard of Section 37.9 or 37.10A
11 herein. The prevailing party shall be entitled to reasonable attorney's fees and costs pursuant
12 to order of the court. The remedy available under this Section 37.9(f) shall be in addition to
13 any other existing remedies which may be available to the tenant or the Board.

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

19 (h) With respect to rental units occupied by recipients of tenant-based rental
20 assistance, the notice requirements of this Section 37.9 shall be required in addition to any
21 notice required as part of the tenant-based rental assistance program, including but not limited
22 to the notice required under 24 CFR Section 982.311(e)(2)(ii).

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

25 (1) A landlord may not recover possession of a unit from a tenant under Section

1 37.9(a)(8) if the landlord has or receives notice, any time before recovery of possession, that
2 any tenant in the rental unit:

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

5 (B) Is disabled within the meaning of Section 37.9(i)(1)(B)(i) and has been residing
6 in the unit for 10 years or more, or is catastrophically ill within the meaning of Section
7 37.9(i)(1)(B)(ii) and has been residing in the unit for five years or more:

8 (i) A “disabled” tenant is defined for purposes of this Section 37.9(i)(1)(B) as a
9 person who is disabled or blind within the meaning of the federal Supplemental Security
10 Income/California State Supplemental Program (SSI/SSP), and who is determined by
11 SSI/SSP to qualify for that program or who satisfies such requirements through any other
12 method of determination as approved by the Rent Board;

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

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

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

1 (4) Within 30 days of personal service by the landlord of a written request, or, at the
2 landlord's option, a notice of termination of tenancy under Section 37.9(a)(8), the tenant must
3 submit a statement, with supporting evidence, to the landlord if the tenant claims to be a
4 member of one of the classes protected by Section 37.9(i). The written request or notice shall
5 contain a warning that a tenant's failure to submit a statement within the 30 day period shall
6 be deemed an admission that the tenant is not protected by Section 37.9(i). The landlord shall
7 file a copy of the request or notice with the Rent Board within 10 days of service on the tenant.
8 A tenant's failure to submit a statement within the 30 day period shall be deemed an
9 admission that the tenant is not protected by Section 37.9(i). A landlord may challenge a
10 tenant's claim of protected status either by requesting a hearing with the Rent Board or, at the
11 landlord's option, through commencement of eviction proceedings, including service of a
12 notice of termination of tenancy. In the Rent Board hearing or the eviction action, the tenant
13 shall have the burden of proof to show protected status. No civil or criminal liability under
14 Section 37.9(e) or (f) shall be imposed upon a landlord for either requesting or challenging a
15 tenant's claim of protected status.

16 (5) This Section 37.9(i) is severable from all other sections and shall be of no force
17 or effect if any temporary moratorium on owner/relative evictions adopted by the Board of
18 Supervisors after June 1, 1998 and before October 31, 1998 has been invalidated by the
19 courts in a final decision.
20
21

22 **SEC. 37.9A. TENANT RIGHTS IN CERTAIN DISPLACEMENTS. (a) Rent Allowed.**

23 Any rental unit which a tenant vacates after receiving a notice to quit relying on Section
24 37.9(a)(13), if again offered for rent or lease at any time, must be offered at a rent not greater
25 than that which would have been allowed had the prior tenant or tenants remained in

1 continuous occupancy during the entire period of the vacancy. If it is asserted that a rent
2 increase or increases could have taken place during the vacancy in question, the owner shall
3 bear the burden of showing by a preponderance of the evidence that the rent could have been
4 legally increased during the period. If it is asserted that the increase is based in whole or part
5 on capital improvements, rehabilitation or substantial rehabilitation, the owner must petition
6 the Rent Board pursuant to the procedures of Section 37.7 of this Chapter. No increase shall
7 be allowed on account of any expense incurred in connection with withdrawing any unit from
8 rent or lease.

9 (b) **Treatment of Replacement Units.** If one or more units covered by Subsection
10 (a) is demolished, and one or more new units qualifying as rental units under this Chapter but
11 for the date on which they first receive a certificate of final completion and occupancy are
12 constructed on the same property, and offered for rent or lease within five years of the date
13 the last of the original units became vacant, the newly constructed units shall be offered at
14 rents not greater than those reasonably calculated to produce a fair and reasonable return on
15 the newly constructed units, notwithstanding Section 37.2(r)(6) or any other provision of this
16 Chapter. The provisions of this Chapter shall thereafter apply. The Board shall adopt rules for
17 determining the rents necessary to provide a fair and reasonable return.

18 (c) **Rights to Re-Rent.** Any owner who again offers for rent or lease any unit
19 covered by Subsection (a) shall first offer the unit for rent or lease to the tenants or lessees
20 displaced from the unit on the following conditions:

21 (1) If any tenant or lessee has advised the owner in writing within 30 days of
22 displacement of his or her desire to consider an offer to renew the tenancy and has furnished
23 the owner with an address to which that offer is to be directed, the owner must make such an
24 offer whenever the unit is again offered for rent or lease. That tenant, lessee, or former tenant
25 or lessee may advise the owner at any time of a change of address to which an offer is to be

1 directed.

2 (2) If the offer is made within 10 years after the date on which the unit became
3 vacant, the owner must make such an offer whenever the tenant or lessee requests the offer
4 in writing within 30 days after the owner has notified the City of an intention to offer the unit
5 again for residential rent or lease pursuant to Subsection (g). The owner shall be liable to any
6 tenant or lessee who was displaced for failure to comply with this Subsection (2), for punitive
7 damages in an amount which does not exceed the contract rent for six months.

8 (d)(1) **Acceptance of Re-Rental Offer.** If the owner again offers a rental unit for rent or
9 lease, and any former tenant or lessee has advised the owner pursuant to Subsection (c) of a
10 desire to consider, or requested, an offer to renew the tenancy, then the owner shall offer to
11 reinstitute a rental agreement or lease at rents permitted under Subsection (a) and on terms
12 equivalent to those available to that displaced tenant or lessee prior to displacement. This
13 offer shall be deposited in the United States mail, by registered or certified mail with postage
14 prepaid, addressed to the displaced tenant or lessee at the address furnished to the owner as
15 provided in Subsection (c) and shall describe the terms of the offer. The displaced tenant or
16 lessee shall have 30 days from the deposit of the offer in the mail to accept the offer by
17 personal delivery of that acceptance or by deposit of the acceptance in the United States mail
18 by registered or certified mail with postage prepaid.

19 (2) If more than one tenant or lessee attempts to accept the offer for a given unit,
20 the landlord shall notify each tenant or lessee so accepting that other acceptances have been
21 received, and shall further advise each such tenant or lessee of the names and addresses of
22 the others. If all such tenants or lessees do not within 30 days thereafter agree and notify the
23 landlord of which tenant(s) or lessee(s) will reoccupy the unit, the tenant(s) or lessee(s) who
24 first occupied the unit previously shall be entitled to accept the landlord's offer. If more than
25 one eligible tenant or lessee initially occupied the unit on the same date, then the first such

1 tenant or lessee to have originally sent notice accepting the landlord's offer shall be entitled to
2 occupy the unit.

3 (e) **Re-Rental Within One Year.** If a unit covered by Subsection (a) is offered for
4 rent or lease within one year after it became vacant:

5 (1) The owner shall be liable to any tenant or lessee who was displaced from the
6 property for actual damages which were the proximate result of that displacement, as defined
7 and limited by the standards for compensation or payments applied to public entities with
8 respect to rental dwellings by Sections 7262 and 7264 of the California Government Code,
9 and for punitive damages in an amount which does not exceed the contract rent for six
10 months. Any action by a tenant or lessee pursuant to this paragraph shall be brought within
11 two years of displacement. However, nothing in this paragraph precludes a tenant from
12 pursuing any alternative remedy available under the law.

13 (2) The City may institute a civil proceeding against the owner who has again
14 offered the unit for rent or lease for exemplary damages for displacement of tenants or
15 lessees. The exemplary damages shall not exceed the contract rent for six months for any
16 unit or units from which a tenant or lessee was displaced by withdrawal of the unit from rent or
17 lease. Any action by the City pursuant to this paragraph shall be brought within three years of
18 the withdrawal of the unit from rent or lease.

19 (f) **Payments to Low-Income, Elderly and Disabled Tenants.** Where a landlord
20 seeks eviction based upon Section 37.9(a)(13), the relocation payments described in this
21 Subsection shall be limited to tenants who are members of lower income households, who are
22 elderly, or who are disabled, as defined below.

23 (1) Tenants who are members of lower income households, as defined by Section
24 50079.5 of the California Health and Safety Code, and who receive a notice to quit based
25 upon Section 37.9(a)(13), in addition to all rights under any other provisions of law, shall be

1 entitled to receive before vacating the premises the following sums:

2 (A) If the unit is a studio (one or two rooms), \$1,500; or

3 (B) If the unit is a one-bedroom (three rooms), \$1,750; or

4 (C) If the unit contains two or more separate bedrooms, \$2,500,

5 (2) With respect to Subparagraphs (1)(A)—(C) above, the Mayor's Office of
6 Housing or its successor agency shall annually determine the income limits for lower income
7 households, adjusted for household size.

8 (3) Notwithstanding Subsection (1), and irrespective of the size of the unit, any
9 tenant who receives a notice to quit under Section 37.9(a)(13) and who, at the time such
10 notice is served, is 62 years of age or older, or who is disabled within the meaning of Section
11 50072 of the California Health and Safety Code, shall be entitled to receive \$3,000.

12 (4) The payments due pursuant to this Subsection (f) for any unit which is occupied
13 by more than one tenant shall be divided equally among all the occupying tenants, excluding
14 those tenants who are separately entitled to payments under Subsection (f)(3) above.

15 (5) Any notice to quit pursuant to Section 37.9(a)(13) shall notify the tenant or
16 tenants concerned of the right to receive payment under this Subsection and the amount of
17 payment which the landlord believes to be due.

18 (g)(1) **Notice to Rent Board.** Any owner who intends to withdraw from rent or lease
19 any rental unit shall notify the Board in writing of said intention. Said notice shall contain
20 statements, under penalty of perjury, providing information on the number of residential units,
21 the address or location of those units, the name or names of the tenants or lessees of the
22 units, and the rent applicable to each residential rental unit. Said notice shall include a
23 certification under penalty of perjury that actions have been filed as required by law to
24 terminate all existing tenancies in the structure in question. Information respecting the name
25 or names of the tenants, the rent applicable to any unit, or the total number of units, is

1 confidential and shall be treated as confidential information by the City for purposes of the
2 Information Practices Act of 1977, as contained in Chapter 1 (commencing with Section 1798)
3 of Title 1.8 of Part 4 of Division 3 of the Civil Code. The City shall, to the extent required by
4 the preceding sentence, be considered an "agency," as defined by Subdivision (d) of Section
5 1798.3 of the Civil Code.

6 (2) The owner shall cause to be recorded with the County Recorder a memorandum
7 of the notice required by Subsection (1) summarizing its provisions, other than the confidential
8 provisions, in substantially the following form:

9
10 **Memorandum of Notice**
11 **Regarding Withdrawal of Rental Unit From Rent or Lease**

12 This memorandum evidences that the undersigned, as the owner or one behalf
13 of the owner, of the property described in Exhibit A attached, has filed a notice, whose
14 contents are certified under penalty of perjury, stating the intent to withdraw from rent
15 or lease all units subject to existing tenancies at said property, pursuant to San
16 Francisco Administrative Code Section 37.9A(f).

17
18
19 (Signature)

20
21 (3) Where an owner satisfies the requirements of Subsections (g)(1) and (g)(2), the
22 date on which the units are withdrawn from rent or lease for purposes of this Chapter is 60
23 days from the delivery in person or by first-class mail of the notice to the public entity.

24 (4) The owner shall notify any tenant or lessee to be displaced that the City has
25 been notified pursuant to Subsection (f)(1), that the notice specified the name and the amount

1 of rent paid by the tenant or lessee as an occupant of the rental unit, and of the amount of rent
2 the owner specified in the notice, together with a notice to the tenant or lessee of his or her
3 rights under Subsection (f)(1) of this Section.

4 (5) The owner shall notify the Board in writing of any intention to again offer for rent
5 or lease any rental unit as to which notice was given under Subsection (g)(1), or which is
6 covered by Subsection (a).

7 (h) **Successor Owners.** The provisions of this Section 37.9A shall apply to the
8 owner of a rental unit at the time displacement of a tenant or tenants is initiated and to any
9 successor in interest of the owner, subject to the provisions of Chapter 12.75 of Division 7 of
10 Title 1 of the California Government Code.

11 (i)(1) **Reports Required.** Not later than the last day of the third and sixth calendar
12 months following the month in which notice is given to the Board under Subsection (g)(1), and
13 thereafter not later than December 31st of each calendar year for a period of five years,
14 beginning with the year in which the six-month notice is given, the owner of any property
15 which contains or formerly contained one or more rental units which a tenant or tenants
16 vacated pursuant to Section 37.9(a)(13) shall notify the Board, in writing, under penalty of
17 perjury, for each such unit:

18 (A) Whether the unit has been demolished;

19 (B) If the unit has not been demolished, whether it is in use;

20 (C) If it is in use, whether it is in residential use;

21 (D) If it is in residential use, the date the tenancy began, the name of the tenant(s),
22 and the amount of rent charged.

23 If the unit has been demolished, and one or more new units constructed on the lot, the
24 owner shall furnish the information required by items (B), (C) and (D) for each new unit. The
25 Board shall maintain a record of the notice received under Subsection (g) and all notices

1 received under this Section for each unit subject to this reporting requirement.

2 (2) The Board shall notify each person who is reported as having become a tenant
3 in a vacated or new unit subject to the reporting requirements of Subsection (1) that it
4 maintains the records described in Subsection (1), and that the rent of the unit may be
5 restricted pursuant to Subsection (a) of this Section.

6 (j) This Section 37.9A is enacted principally to exercise specific authority provided
7 for by Chapter 12.75 of Division 7 of Title 1 of the California Government Code as enacted by
8 Stats. 1985, Ch. 1509, Section 1. In the case of any amendment to Chapter 12.75 or any
9 other provision of State law which amendment is inconsistent with this Section, this Section
10 shall be deemed to be amended to be consistent with State law, and to the extent it cannot be
11 so amended shall be interpreted to be effective as previously adopted to the maximum extent
12 possible.

13
14
15 **SEC. 37.9B. TENANT RIGHTS IN EVICTIONS UNDER SECTION 37.9(a)(8).** (a) Any
16 rental unit which a tenant vacates after receiving a notice to quit based on Section 37.9(a)(8),
17 and which is subsequently no longer occupied as a principal residence by the landlord or the
18 landlord's grandparent, parent, child, grandchild, brother, sister, or the landlord's spouse, or
19 the spouses of such relations must, if offered for rent during the three- year period following
20 service of the notice to quit under Section 37.9(a)(8), be rented in good faith at a rent not
21 greater than at which would have been the rent had the tenant who had been required to
22 vacate remained in continuous occupancy and the rental unit remained subject to this
23 Chapter. If it is asserted that a rent increase could have taken place during the occupancy of
24 the rental unit by the landlord if the rental unit had been subjected to this Chapter, the landlord
25 shall bear the burden of proving that the rent could have been legally increased during the

1 period. If it is asserted that the increase is based in whole or in part upon any grounds other
2 than that set forth in Section 37.3(a)(1), the landlord must petition the Rent Board pursuant to
3 the procedures of this Chapter. Displaced tenants shall be entitled to participate in and
4 present evidence at any hearing held on such a petition. Tenants displaced pursuant to
5 Section 37.9(a)(8) shall make all reasonable efforts to keep the Rent Board apprised of their
6 current address. The Rent Board shall provide notice of any proceedings before the Rent
7 Board to the displaced tenant at the last address provided by the tenant. No increase shall be
8 allowed on account of any expense incurred in connection with the displacement of the
9 tenant.

10 (b) Any landlord who, within three years of the date of service of the notice to quit,
11 offers for rent or lease any unit in which the possession was recovered pursuant to Section
12 37.9(a)(8) shall first offer the unit for rent or lease to the tenants displaced in the same
13 manner as provided for in Sections 37.9A(c) and (d).

14 (c) An owner who endeavors to recover possession under Section 37.9(a)(8) shall,
15 in addition to complying with the requirements of Section 37.9(c), inform the tenant in writing
16 of the following and file any written documents informing the tenant of the following with the
17 Rent Board within 10 days after service of the notice to vacate;

18 (1) The identity and percentage of ownership of all persons holding a full or partial
19 percentage ownership in the property;

20 (2) The dates the percentages of ownership were recorded;

21 (3) The name(s) of the landlord endeavoring to recover possession and, if
22 applicable, the name(s) and relationship of the relative(s) for whom possession is being
23 sought and a description of the current residence of the landlord or relative(s);

24 (4) A description of all residential properties owned, in whole or in part, by the
25 landlord and, if applicable, a description of all residential properties owned, in whole or in part,

1 by the landlord's grandparent, parent, child, grandchild, brother, or sister for whom possession
2 is being sought;

3 (5) The current rent for the unit and a statement that the tenant has the right to re-
4 rent the unit at the same rent, as adjusted by Section 37.9B(a) above;

5 (6) The contents of Section 37.9B, by providing a copy of same; and

6 (7) The right the tenant(s) may have to relocation costs and the amount of those
7 relocation costs.

8 (d) Each individual tenant of any rental unit in a building containing two or more
9 units who receives a notice to quit based upon Section 37.9(a)(8), and who has resided in the
10 unit for 12 or more months, in addition to all rights under any other provision of law, shall be
11 entitled to receive relocation expenses of \$1,000 from the owner, \$500 of which shall be paid
12 at the time of the service of the notice to vacate, and \$500 of which shall be paid when the
13 tenant vacates. An owner who pays relocation costs as required by this subsection in
14 conjunction with a notice to quit need not pay relocation costs with any further notices to quit
15 for the same unit that are served within 180 days of the notice that included the required
16 relocation payment. The relocation costs contained herein are separate from any security or
17 other refundable deposits as defined in California Code Section 1950.5. Further, payment or
18 acceptance of relocation costs shall not waive any other rights a tenant may have under law.
19
20

21 **SEC. 37.10A. MISDEMEANORS.** (a) It shall be unlawful for a landlord to increase
22 rent or rents in violation of the decision of an an ((hearing officer)) Administrative Law Judge or
23 the decision of the Board on appeal pursuant to the hearing and appeal procedures set forth
24 in Section 37.8 of this Chapter. It shall further be unlawful for a landlord to charge any rent
25 which exceeds the limitations of this Chapter. Any person who increases rents in violation of

1 such decisions or who charges excessive rents shall be guilty of a misdemeanor.

2 (b) It shall be unlawful for an landlord to refuse to rent or lease or otherwise deny to
3 or withhold from any person any rental unit because the age of a prospective tenant would
4 result in the tenant acquiring rights under this Chapter. Any person who refuses to rent in
5 violation of this subsection shall, in addition to any other penalties provide by State or federal
6 law, be guilty of a misdemeanor.

7 (c) Any person convicted of a misdemeanor hereunder shall be punishable by a fine
8 of not more than \$2,000 or by imprisonment in the County Jail for a period of not more than
9 six months, or by both. Each violation of the decision of an an ((hearing officer)) Administrative
10 Law Judge or the decision of the Board on appeal and each refusal to rent or denial of a rental
11 unit as set forth above shall constitute a separate offense.

12
13
14 APPROVED AS TO FORM:
15 LOUISE H. RENNE, City Attorney

16
17
18 By: 
19 MARIE CORLETT BLITS
20 Deputy City Attorney



City and County of San Francisco

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

Tails Ordinance

File Number: 992197

Date Passed:

Ordinance amending Chapter 37 of the San Francisco Administrative Code ("Residential Rent Stabilization and Arbitration Ordinance") to reflect the Civil Service reclassification of Hearing Officers as Administrative Law Judges, by amending all references to "Hearing Officer(s) in Sections 37.2, 37.3, 37.5, 37.6, 37.7, 37.8, 37.8A, 37.8B, 37.9, and 37.10, to be references to "Administrative Law Judge(s)."

December 13, 1999 Board of Supervisors — PASSED, ON FIRST READING

Ayes: 10 - Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

Absent: 1 - Ammiano

December 20, 1999 Board of Supervisors — FINALLY PASSED

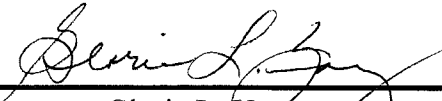
Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

File No. 992197

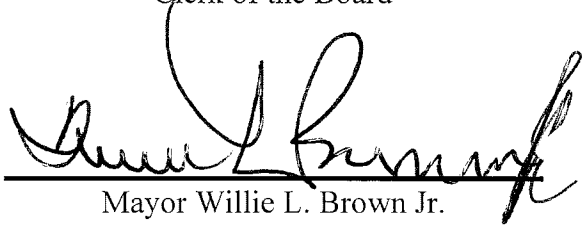
I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on December 20,
1999 by the Board of Supervisors of the City
and County of San Francisco.

DEC 30 1999

Date Approved



Gloria L. Young
Clerk of the Board



Mayor Willie L. Brown Jr.