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CHAPTER 37
OF THE SAN FRANCISCO ADMINISTRATIVE CODE
THE RESIDENTIAL RENT STABILIZATION AND ARBITRATION ORDINANCE

NOTE: This is not an official record of the laws or regulations of the City and County of San Francisco. It is printed for administrative and public convenience.

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NOTICE TO LANDLORDS AND TENANTS

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2 1. **2009 Amendments to the Ordinance**

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<u>ORD. NO.</u>	<u>DATE SIGNED</u>	<u>RENT ORD. SECTIONS</u>	<u>AMENDMENTS</u>
4 28-09	5 2/20/09	6 37.2, 37.9	7 Adds a series of definitions re "Victims of Domestic Violence, Sexual Assault, or Stalking." Provides confidentiality protections and defense to nuisance evictions under Section 37.9(a)(3) for tenants who are victims of domestic violence, sexual assault or stalking.

8

9 2. **Important Notice Concerning The Allowable Annual Rent Increase**

10 *The allowable annual rent increase for notices effective from March 1, 2009 through February 28, 2010 is 2.2%. Information concerning the new rate for each year is available on the 24-hour Info-to-Go Line, 252.4600, on or about December 20th of each year.*

11 3. **Imputed Interest Rates For Capital Improvements**

12 The imputed interest rates for capital improvement petitions filed during the period March 1, 2009 through February 28, 2010 are as follows:

13
14 7-Year Amortizations— 3.3%, or a Factor of .01335
15 10-Year Amortizations—3.8%, or a Factor of .01003
16 15-Year Amortizations—4.2%, or a Factor of .00750
17 20-Year Amortizations—4.5%, or a Factor of .00633

18 4. **Interest Required To Be Paid On Deposits**

19 Chapter 49 of the SF Administrative Code requires that 3.1% interest be paid annually on deposits for the period March 1, 2009 through February 28, 2010. This amount is recalculated each year during the first week of January.

20 5. **"Info-to-Go" (415) 252.4600 (24-Hour Phone Service)**

21 The Rent Board has a 24-hour automated information line available to answer over 80 of the most frequently asked questions. You can also fax a copy of the text you hear to your fax machine or be connected to a counselor during counseling hours (9 am – Noon & 1-4 pm). You can also listen to and/or fax any topic in Spanish or Chinese.

22 6. **"Fax Back" (415) 252.4660 (24-Hour Fax Back Service)**

23 Copies of the Rent Ordinance, Rules and Regulations, Fact Sheets, Rent Board forms and other informational documents are available 24 hours a day through the Rent Board's Fax Back Service. Call 252-4660 and you can either obtain the Table of Contents which lists all of the available documents or, if you already have the Table of Contents, simply enter the three-digit number for the document you want, enter your fax number, and the document will be automatically faxed to your machine. Some documents are available in Chinese and Spanish.

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1 FILE NO. 188-79

ORIGINAL ORDINANCE NO. 276-79
Effective June 13, 1979

2 AN EMERGENCY ORDINANCE AMENDING THE SAN FRANCISCO ADMINISTRATIVE CODE
3 BY ADDING CHAPTER 37 THERETO TO ESTABLISH A RENTAL STABILIZATION AND
4 ARBITRATION BOARD AND PRESCRIBING THE DUTIES AND POWERS THEREOF;
5 SETTING FORTH GUIDELINES FOR RENTAL INCREASES; CREATING A CITIZENS'
6 HOUSING TASK FORCE; PROVIDING FOR TERMINATION DATE.

7 CHAPTER 37

8 RESIDENTIAL RENT STABILIZATION AND ARBITRATION ORDINANCE

9 **Sec. 37.1** **Title & Findings.**

10 (a) This chapter shall be known as the Residential Rent Stabilization and Arbitration
11 Ordinance.

12 (b) The Board of Supervisors hereby finds:

13 (1) There is a shortage of decent, safe and sanitary housing in the City and
14 County of San Francisco resulting in a critically low vacancy factor.

15 (2) Tenants displaced as a result of their inability to pay increased rents must
16 relocate but as a result of such housing shortage are unable to find decent, safe and sanitary
17 housing at affordable rent levels. Aware of the difficulty in finding decent housing, some tenants
18 attempt to pay requested rent increases, but as a consequence must expend less on other
19 necessities of life. This situation has had a detrimental effect on substantial numbers of renters
20 in the City, especially creating hardships on senior citizens, persons on fixed incomes and low
21 and moderate income households.

22 (3) The problem of rent increases reached crisis level in the spring of 1979. At
23 that time the Board of Supervisors conducted hearings and caused studies to be made on the
24 feasibility and desirability of various measures designed to address the problems created by the
25 housing shortage.

26 (4) In April, 1979, pending development and adoption of measures designed to
27 alleviate the City's housing crisis, the Board of Supervisors adopted Ordinance No. 181-79
28 prohibiting most rent increases on residential rental properties for 60 days. Ordinance No. 181-
79 is scheduled to expire no later than June 30, 1979.

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(5) The provisions of Ordinance No. 181-79 have successfully reduced the rate of rent increases in the City, along with the concomitant hardships and displacements. However, a housing shortage still exists within the City and County of San Francisco and total deregulation of rents at this time would immediately lead to widespread exorbitant rent increases and recurrence of the crisis, problems and hardships which existed prior to the adoption of the moratorium measure.

(6) This ordinance shall be in effect for fifteen (15) months. During this time, a Citizens' Housing Task Force shall be created to conduct a further study of and make recommendations for, the problems of housing in San Francisco. In the interim, some immediate measures are needed to alleviate San Francisco's housing problems. This ordinance, therefore, creates a Residential Rent Stabilization and Arbitration Board in order to safeguard tenants from excessive rent increases and, at the same time, to assure landlords fair and adequate rents consistent with Federal Anti-Inflation Guidelines.

Sec. 37.2 **Definitions.**

[Amended by Ord. No. 197-80, effective June 8, 1980; Ord. No. 77-82, effective April 1, 1982; Ord. No. 268-82, effective July 10, 1982; Ord. No. 421-82, effective October 1, 1982; Ord. No. 111-83, effective April 10, 1983; Ord. No. 438-83, effective October 2, 1983; Ord. No. 20-84, effective February 18, 1984; Ord. No. 193-86, effective July 1, 1986; Ord. No. 233-93, effective August 22, 1993; Resolution No. 1004-94, effective December 22, 1994; Ord. No. 446-94, effective January 30, 1995; Ord. No. 179-98, effective June 28, 1998; Ord. No. 250-98, effective August 30, 1998; Ord. No. 237-99, effective September 29, 1999; Ord. No. 347-99 effective January 29, 2000; Ord. No. 116-00, effective July 2, 2000; Ord. No. 02-03, effective February 21, 2003; Ord. No. 107-03, effective July 22, 2003; Ord. No. 178-06, effective September 7, 2006; Ord. No. 252-06, effective November 10, 2006; Ord. No. 281-06, effective January 19, 2007; Ord. No. 92-07, effective May 27, 2007; amended by Proposition M, effective December 19, 2008; Ord. No. 28-09, effective March 22, 2009]

(a) Base Rent.

(1) That rent which is charged a tenant upon initial occupancy plus any rent increase allowable and imposed under this chapter; provided, however, that base rent shall not include increases imposed pursuant to Section 37.7 and base rent shall not include utility passthroughs or water revenue bond passthroughs or general obligation bond passthroughs pursuant to Sections 37.2(q), 37.3(a)(5)(B), and 37.3(a)(6). Base rent for tenants of RAP rental units in areas designated on or after July 1, 1977 shall be that rent which was established pursuant to Section 32.73-1 of the San Francisco Administrative Code. Rent increases attributable to the Chief Administrative Officer's amortization of a RAP loan in an area designated on or after July 1, 1977 shall not be included in the base rent.

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

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

(i) For any tenant receiving tenant-based rental assistance as of the effective date of this Ordinance (except where the rent payable by the tenant is a fixed percentage of the tenant's income, such as in the Section 8 certificate program and the rental subsidy program for the HOPWA program), and continuing to receive tenant-based rental assistance following the effective date of this Ordinance, the base rent for each unit occupied by such a tenant shall be the rent payable for that unit under the housing assistance payments

1 contract, as amended, between the San Francisco Housing Authority and the landlord (the "HAP
2 Contract") with respect to that unit immediately prior to the effective date of this ordinance (the
3 "HAP Contract Rent").

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

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

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

20 (c) For any tenant occupying a unit upon the prepayment or expiration of
21 any mortgage insured by the United States Department of Housing and Urban Development
22 ("HUD"), including but not limited to mortgages provided under sections 221(d)(3), 221(d)(4) and
23 236 of the National Housing Act (12 USC §1715z-1), the base rent for each such unit shall be
24 the "basic rental charge" (described in 12 USC 1715z-1(f), or successor legislation) in effect for
25 that unit immediately prior to the prepayment of the mortgage, which charge excludes the
26 "interest reduction payment" attributable to that unit prior to the mortgage prepayment or
27 expiration.

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

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

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

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

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

11 (g) Housing Services. Services provided by the landlord connected with the use or
12 occupancy of a rental unit including, but not limited to: quiet enjoyment of the premises, without
13 harassment by the landlord as provided in Section 37.10B; repairs; replacement; maintenance;
14 painting; light; heat; water; elevator service; laundry facilities and privileges; janitor service;
15 refuse removal; furnishings; telephone; parking; rights permitted the tenant by agreement,
16 including the right to have a specific number of occupants, whether express or implied, and
17 whether or not the agreement prohibits subletting and/or assignment; and any other benefits,
18 privileges or facilities.

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

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

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

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

1 (l) Rap. Residential Rehabilitation Loan Program (Chapter 32, San Francisco
2 Administrative Code).

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

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

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

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

14 (q) Rent Increases. Any additional monies demanded or paid for rent as defined in item
15 (p) above, or any reduction in housing services without a corresponding reduction in the monies
16 demanded or paid for rent; provided, however, that: (1) where the landlord has been paying the
17 tenant's utilities and the cost of those utilities increases, the landlord's passing through to the
18 tenant of such increased costs pursuant to this Chapter does not constitute a rent increase; (2)
19 where there has been a change in the landlord's property tax attributable to a general obligation
20 bond approved by the voters between November 1, 1996 and November 30, 1998, or after
21 November 14, 2002, the landlord's passing through to the tenant of such increased costs in
22 accordance with this Chapter (see Section 37.3(a)(6)) does not constitute a rent increase; (3)
23 where there has been a change in the landlord's property tax attributable to a San Francisco
24 Unified School District or San Francisco Community College District general obligation bond
25 approved by the voters after November 1, 2006, the landlord's passing through to the tenant of
26 such increased costs in accordance with this Chapter (see Section 37.3(a)(6)) does not
27 constitute a rent increase; and (4) where water bill charges are attributable to water rate
28 increases resulting from issuance of water revenue bonds authorized at the November 5, 2002

1 election, the landlord's passing through to the tenant of such increased costs in accordance with
2 this Chapter (see Section 37.3(a)(5)(B)) does not constitute a rent increase.

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

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

14 The term "rental units" shall not include:

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

23 (2) dwelling units in non-profit cooperatives owned, occupied and controlled by a
24 majority of the residents or dwelling units solely owned by a non-profit public benefit corporation
25 governed by a board of directors the majority of which are residents of the dwelling units and
26 where it is required in the corporate by-laws that rent increases be approved by a majority of the
27 residents;

28 (3) housing accommodations in any hospital, convent, monastery, extended care

1 facility, asylum, residential care or adult day health care facility for the elderly which must be
2 operated pursuant to a license issued by the California Department of Social Services, as
3 required by California Health and Safety Chapters 3.2 and 3.3, or in dormitories owned and
4 operated by an institution of higher education, a high school, or an elementary school;

5 (4) except as provided in Subsections (A),(B) and (C), dwelling units whose rents
6 are controlled or regulated by any government unit, agency or authority, excepting those
7 unsubsidized and/or unassisted units which are insured by the United States Department of
8 Housing and Urban Development; provided, however, that units in unreinforced masonry
9 buildings which have undergone seismic strengthening in accordance with Building Code
10 Chapters 16B and 16C shall remain subject to the Rent Ordinance to the extent that the
11 Ordinance is not in conflict with the seismic strengthening bond program or with the program's
12 loan agreements or with any regulations promulgated thereunder;

13 (A) For purposes of sections 37.2, 37.3(a)(10)(A), 37.4, 37.5, 37.6, 37.9,
14 37.9A, 37.10A, 37.11A and 37.13, and the arbitration provisions of sections 37.8 and 37.8A
15 applicable only to the provisions of section 37.3(a)(10)(A), the term "rental units" shall include
16 units occupied by recipients of tenant-based rental assistance where the tenant-based rental
17 assistance program does not establish the tenant's share of base rent as a fixed percentage of a
18 tenant's income, such as in the Section 8 voucher program and the "Over-FMR Tenancy"
19 program defined in 24 CFR §982.4;

20 (B) For purposes of sections 37.2, 37.3(a)(10)(B), 37.4, 37.5, 37.6, 37.9,
21 37.9A, 37.10A, 37.11A and 37.13, the term "rental units" shall include units occupied by
22 recipients of tenant-based rental assistance where the rent payable by the tenant under the
23 tenant-based rental assistance program is a fixed percentage of the tenant's income; such as in
24 the Section 8 certificate program and the rental subsidy program for the Housing Opportunities
25 for persons with AIDS ("HOPWA") program (42 U.S.C. §12901 et seq., as amended).

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

1 following criteria:

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

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

8 Nothing in this Section 37.2(r)(4)(C) precludes a landlord from seeking an
9 exemption on the basis of substantial rehabilitation under Section 37.2(r)(6).

10 This Section 37.2(r)(4)(C) definition of "rental unit" shall apply to any unit
11 where the qualifying tenant (see Section 37.2(r)(4)(C)(i)) is in possession of the unit on or after
12 January 19, 2007, including but not limited to any unit where the tenant has been served with a
13 notice to quit but has not vacated the unit and there is no final judgment against the tenant for
14 possession of the unit as of January 19, 2007.

15 (5) Rental units located in a structure for which a certificate of occupancy was
16 first issued after the effective date of this ordinance, (A) except as provided for certain categories
17 of units and dwellings by Section 37.3(d) and Section 37.9A(b) of this Chapter, and (B) except as
18 provided in a development agreement entered into by the City under San Francisco
19 Administrative Code Chapter 56.

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

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

27 (s) Substantial Rehabilitation. The renovation, alteration or remodeling of residential
28 units of 50 or more years of age which have been condemned or which do not qualify for

1 certificates of occupancy or which require substantial renovation in order to conform the building
2 to contemporary standards for decent, safe and sanitary housing. Substantial rehabilitation may
3 vary in degree from gutting and extensive reconstruction to extensive improvements that cure
4 substantial deferred maintenance. Cosmetic improvements alone such as painting, decorating
5 and minor repairs, or other work which can be performed safely without having the unit vacated
6 do not qualify as substantial rehabilitation.

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

9 (u) Tenant-based Rental Assistance. Rental assistance provided directly to a tenant or
10 directly to a landlord on behalf of a particular tenant, which includes but shall not be limited to
11 certificates and vouchers issued pursuant to Section 8 of the United States Housing Act of 1937,
12 as amended (42 U.S.C. §1437f) and the HOPWA program.

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

14 (w) Victims of Domestic Violence, Sexual Assault, or Stalking.

15 (1) "Victim of domestic violence or sexual assault or stalking" means any person
16 who has been, or is currently being, subjected to one or more of the following:

17 (A) "Domestic violence," as defined in Section 13700 of the Penal Code
18 or Section 6211 of the Family Code;

19 (B) "Sexual assault," as defined in Sections 261, 261.5, 262, 286, 288a,
20 or 289 of the Penal Code; or

21 (C) "Stalking," as defined in Section 646.9 of the Penal Code or Section
22 1708.7 of the Civil Code.

23 (2) "Protective order" means a temporary restraining order or emergency
24 protective order issued pursuant to Part 3 (commencing with Section 6240) or Part 4
25 (commencing with Section 6300) or Part 5 (commencing with Section 6400) of the Family Code,
26 Section 136.2 of the Penal Code, Section 527.6 of the Code of Civil Procedure, or Section 213.5
27 of the Welfare and Institutions Code, that protects the tenant or household member from further
28 domestic violence, sexual assault, or stalking.

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(3) "Qualified third party" means a peace officer or victim advocate employed by a state or local law enforcement agency, or Licensed Clinical Social Worker (LCSW) or Marriage and Family Therapist (MFT), acting in his or her official capacity;

(4) "Written documentation from a qualified third party" means a document signed and dated within the preceding 60 days by a qualified third party stating all of the following:

(A) That the tenant notified the qualified third party that he or she was a victim of domestic violence or sexual assault or stalking;

(B) The time, date, and location of the act or acts that constitute the domestic violence or sexual assault or stalking; and

(C) That the tenant informed the qualified third party of the name of the alleged perpetrator of the act or acts of domestic violence or sexual assault or stalking, if known to the victim.

Sec. 37.3 Rent Limitations.

[Amended by Ord. No. 442-79, effective August 31, 1979; Ord. No. 136-80, effective April 10, 1980; Ord. No. 358-80, effective August 24, 1980; Ord. No. 77-82, effective April 1, 1982; Ord. No. 268-82, effective July 10, 1982; Ord. No. 438-83, effective October 2, 1983; repealed and replaced by Section 37.3A by Ord. No. 20-84, effective February 18, 1984; renumbered by Ord. No. 338-87, effective September 13, 1987; amended by Ord. No. 102-91, effective April 20, 1991; Ord. No. 127-91, effective May 2, 1991; amended by Resolution No. 961-92, effective December 8, 1992; amended by Ord. No. 405-96, effective November 21, 1996; Ord. No. 179-98, effective June 28, 1998; Ord. No. 250-98, effective August 30, 1998; Ord. No. 347-99, effective January 29, 2000; Ord. No. 116-00, effective July 2, 2000; Ord. No. 02-03, effective February 21, 2003; Ord. No. 107-03, effective June 22, 2003. Ord. No. 99-04, effective July 5, 2004; Ord. No. 252-06, effective November 10, 2006]

(a) Rent Increase Limitations for Tenants in Occupancy. Landlords may impose rent increases upon tenants in occupancy only as provided below:

(1) Annual Rent Increase. On March 1 of each year, the Board shall publish the increase in the CPI for the preceding 12 months, as made available by the U.S. Department of Labor. A landlord may impose annually a rent increase which does not exceed a tenant's base rent by more than 60% of said published increase. In no event, however, shall the allowable annual increase be greater than 7%.

(2) Banking. A landlord who refrains from imposing an annual rent increase or any portion thereof may accumulate said increase and impose that amount on the tenant's subsequent rent increase anniversary dates. A landlord who, between April 1, 1982 and February 29, 1984, has banked an annual 7% rent increase (or rent increases) or any portion thereof may impose the accumulated increase on the tenant's subsequent rent increase anniversary dates.

(3) Capital Improvements, Rehabilitation, Energy Conservation Improvements, and Renewable Energy Improvements. A landlord may impose rent increases based upon the cost of capital improvements, rehabilitation, energy conservation improvements, or renewable energy improvements, provided that such costs are certified pursuant to Sections 37.7 and 37.8B below; provided further that where a landlord has performed seismic strengthening in accordance with Building Code Chapters 16B and 16C, no increase for capital improvements (including but not limited to seismic strengthening) shall exceed, in any twelve (12) month period,

1 10% of the tenant's base rent, subject to rules adopted by the Board to prevent landlord hardship
2 and to permit landlords to continue to maintain their buildings in a decent, safe and sanitary
3 condition. A landlord may accumulate any certified increase which exceeds this amount and
4 impose the increase in subsequent years, subject to the 10% limitation. Nothing in this
5 subsection shall be construed to supersede any Board rules or regulations with respect to
6 limitations on increases based upon capital improvements whether performed separately or in
7 conjunction with seismic strengthening improvements pursuant to Building Code Chapters 16B
8 and 16C.

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

11 (5) Water: Charges Related to Excess Water Use, and 50% Passthrough of
12 Water Bill Charges Attributable to Water Rate Increases Resulting From Issuance of Water
13 System Improvement Revenue Bonds Authorized at the November 2002 Election.

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

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

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

26 (iii) The landlord provides the tenants with a copy of the water bill
27 for the period in which the penalty was charged. Only penalties billed for a service period which
28 begins after the effective date of the ordinance [April 20, 1991] may be passed through to

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

12 (B) Fifty Percent (50%) Passthrough of Water Bill Charges Attributable
13 to Water Rate Increases Resulting From Issuance of Water System Improvement Revenue
14 Bonds Authorized at the November 2002 Election. A landlord may pass through fifty percent
15 (50%) of the water bill charges attributable to water rate increases resulting from issuance of
16 Water System Improvement Revenue Bonds authorized at the November 5, 2002 election
17 (Proposition A), to any unit that is in compliance with any applicable laws requiring water
18 conservation devices. The landlord is not required to file a petition with the Board for approval of
19 such a cost passthrough. Such cost passthroughs are subject to the following:

20 (i) Affected tenants shall be given notice of any such passthrough
21 as provided by applicable notice of rent increase provisions of this Chapter 37, including but not
22 limited to Section 37.3(b)(3).

23 (ii) A tenant may file a hardship application with the Board, and be
24 granted relief from all or part of such a cost passthrough;

25 (iii) If a tenant's hardship application is granted, the tenant's
26 landlord may utilize any available Public Utilities Commission low-income rate discount program
27 or similar program for water bill reduction, based on that tenant's hardship status;

28 (iv) A landlord shall not impose a passthrough pursuant to Section

1 37.3(a)(5)(B) if the landlord has filed for or received Board approval for a rent increase under
2 Section 37.8(e)(4) for increased operating and maintenance expenses in which the same
3 increase in water bill charges attributable to water rate increases resulting from issuance of any
4 water revenue bonds authorized at the November 5, 2002 election was included in the
5 comparison year cost totals.

6 (v) Where a tenant alleges that a landlord has imposed a water
7 revenue bond passthrough that is not in compliance with Section 37.3(a)(5)(B), the tenant may
8 petition for a hearing under the procedures provided by Section 37.8. In such a hearing the
9 landlord shall have the burden of proving the accuracy of the calculation that is the basis for the
10 increase. Any tenant petition challenging such a passthrough must be filed within one year of
11 the effective date of the passthrough.

12 (vi) A tenant who has received a notice of passthrough or a
13 passthrough under this Section 37.3(a)(5)(B) shall be entitled to receive a copy of the applicable
14 water bill from the landlord upon request.

15 (vii) The amount of permissible passthrough per unit under this
16 Section 37.3(a)(5)(B) shall be determined as follows:

17 (1) The San Francisco Public Utilities Commission will
18 determine the charge per unit of water, if any, that is attributable to water rate increases resulting
19 from issuance of water system improvement revenue bonds authorized at the November 5, 2002
20 election.

21 (2) The charge identified in Section 37.3(a)(5)(B)(vii)(1)
22 shall be multiplied by the total units of water used by each customer, for each water bill. The
23 result is the total dollar amount of the water bill that is attributable to water rate increases
24 resulting from issuance of water system improvement revenue bonds authorized at the
25 November 5, 2002 election. That charge shall be a separate line item on each customer's water
26 bill.

27 (3) The dollar amount calculated under Section
28 37.3(a)(5)(B)(vii)(2) shall be divided by two (since a 50% passthrough is permitted), and then

1 divided by the total number of units covered by the water bill, including commercial units. The
2 resulting dollar figure shall be divided by the number of months covered by the water bill cycle
3 (most are two-month bill cycles), to determine the amount of that water bill that may be passed
4 through to each residential unit for each month covered by that bill.

5 (4) These passthroughs may be imposed on a monthly
6 basis. These passthroughs shall not become part of a tenant's base rent. The amount of each
7 passthrough may vary from month to month, depending on the amount calculated under
8 Sections 37.3(a)(5)(B)(vii)(1) through (3).

9 (viii) The Board may amend its rules and regulations as necessary
10 to implement this Section 37.3(a)(5)(B).

11 (6) Property Tax. A landlord may impose increases based upon a 100%
12 passthrough of the change in the landlord's property tax resulting from the repayment of general
13 obligation bonds of the City and County of San Francisco approved by the voters between
14 November 1, 1996, and November 30, 1998 as provided in Section 37.2(q) above.

15 A landlord may impose increases based upon a 50% passthrough of the change
16 in the landlord's property tax resulting from the repayment of general obligation bonds of the City
17 and County of San Francisco approved by the voters after November 14, 2002, as provided in
18 Section 37.2(q) above, and subject to the following requirement: Any rent increase for bonds
19 approved after the effective date of this initiative Ordinance [November 2000 Proposition H,
20 effective December 20, 2000] must be disclosed and approved by the voters.

21 A landlord may impose increases based upon a 50% passthrough of the change
22 in the landlord's property tax resulting from the repayment of San Francisco Unified School
23 District or San Francisco Community College District general obligation bonds approved by the
24 voters after November 1, 2006, as provided in Section 37.2(q) above.

25 The amount of such increases shall be determined for each tax year as follows:

26 (A) For general obligation bonds of the City and County of San Francisco
27 approved by the voters between November 1, 1996 and November 30, 1998:

28 (i) The Controller and the Board of Supervisors will determine the

1 percentage of the property tax rate, if any, in each tax year attributable to general obligation
2 bonds approved by the voters between November 1, 1996, and November 30, 1998, and
3 repayable within such tax year.

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

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

13 (B) For general obligation bonds of the City and County of San Francisco
14 approved by the voters after November 14, 2002 where any rent increase has been disclosed
15 and approved by the voters:

16 (i) The Controller and the Board of Supervisors will determine the
17 percentage of the property tax rate, if any, in each tax year attributable to general obligation
18 bonds approved by the voters after November 14, 2002 and repayable within such tax year.

19 (ii) This percentage shall be multiplied by the total amount of the
20 net taxable value for the applicable tax year. The result is the dollar amount of property taxes for
21 that tax year for a particular property attributable to the repayment of general obligation bonds
22 approved by the voters after November 14, 2002.

23 (iii) The dollar amount calculated under Subsection (ii) shall be
24 divided by two, and then by the total number of all units in each property, including commercial
25 units. That figure shall be divided by 12 months, to determine the monthly per unit costs for that
26 tax year of the repayment of general obligation bonds approved by the voters after November
27 14, 2002.

28 (C) For general obligation bonds of the San Francisco Unified School

1 District or San Francisco Community College District approved by the voters after November 1,
2 2006:

3 (i) The Controller and the Board of Supervisors will determine the
4 percentage of the property tax rate, if any, in each tax year attributable to San Francisco Unified
5 School District or San Francisco Community College District general obligation bonds approved
6 by the voters after November 1, 2006 and repayable within such tax year.

7 (ii) This percentage shall be multiplied by the total amount of the
8 net taxable value for the applicable tax year. The result is the dollar amount of property taxes for
9 that tax year for a particular property attributable to the repayment of San Francisco Unified
10 School District or San Francisco Community College District general obligation bonds approved
11 by the voters after November 1, 2006.

12 (iii) The dollar amount calculated under Subsection (ii) shall be
13 divided by two, and then by the total number of all units in each property, including commercial
14 units. That figure shall be divided by 12 months, to determine the monthly per unit costs for that
15 tax year of the repayment of San Francisco Unified School District or San Francisco Community
16 College District general obligation bonds approved by the voters after November 1, 2006.

17 (D) Landlords may pass through to each unit in a particular property the
18 dollar amount calculated under these Subsections 37.3(a)(6)(A) and (B). These passthroughs
19 may be imposed only on the tenant's anniversary date. These passthroughs shall not become a
20 part of a tenant's base rent. The amount of each annual passthrough imposed pursuant to this
21 Subsection (6) may vary from year-to-year, depending on the amount calculated under
22 Subsections (A) and (B). Each annual passthrough shall apply only for the twelve-month period
23 after it is imposed. A landlord may impose the passthrough described in this Subsection (6) for a
24 particular tax year only with respect to those tenants who were residents of a particular property
25 on November 1 of the applicable tax year. A landlord shall not impose a passthrough pursuant
26 to this Subsection (6) if the landlord has filed for or received Board approval for a rent increase
27 under Section 37.8(e)(4) for increased operating and maintenance expenses in which the same
28 increase in property taxes due to the repayment of general obligation bonds was included in the

1 comparison year cost totals.

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

4 (F) Landlords must provide to tenants, on or before the date that notice is
5 served on the tenant of a passthrough permitted under this Subsection (6), a copy of the
6 completed form described in Subsection (E). This completed form shall be provided in addition
7 to the Notice of Rent Increase required under Section 37.3(b)(5). Where a tenant alleges that a
8 landlord has imposed a charge which exceeds the limitations set forth in this Subsection (6), the
9 tenant may petition for a hearing under the procedures provided by Section 37.8. In such a
10 hearing, the landlord shall have the burden of proving the accuracy of the calculation that is the
11 basis for the increase. Any tenant petition challenging such a passthrough must be filed within
12 one year of the effective date of the passthrough.

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

15 (7) RAP Loans. A landlord may impose rent increases attributable to the Chief
16 Administrative Officer's amortization of the RAP loan in an area designated on or after July 1,
17 1977 pursuant to Chapter 32 of the San Francisco Administrative Code.

18 (8) Additional Increases. A landlord who seeks to impose any rent increase
19 which exceeds those permitted above shall petition for a rental arbitration hearing pursuant to
20 Section 37.8 of this chapter.

21 (9) A landlord may impose a rent increase to recover costs incurred for the
22 remediation of lead hazards, as defined in San Francisco Health Code Article 11 or 26. Such
23 increases may be based on changes in operating and maintenance expenses or for capital
24 improvement expenditures as long as the costs which are the basis of the rent increase are a
25 substantial portion of the work which abates or remediates a lead hazard, as defined in San
26 Francisco Health Code Article 11 or 26, and provided further that such costs are approved for
27 operating and maintenance expense increases pursuant to Section 37.8(e)(4)(A) and certified as
28 capital improvements pursuant to Section 37.7 below.

1 When rent increases are authorized by this subsection 37.3(a)(9), the total rent
2 increase for both operating and maintenance expenses and capital improvements shall not
3 exceed 10% in any twelve (12) month period. If allowable rent increases due to the costs of lead
4 remediation and abatement work exceed 10% in any 12 month period, an Administrative Law
5 Judge shall apply a portion of such excess to approved operating and maintenance expenses for
6 lead remediation work, and the balance, if any, to certified capital improvements, provided,
7 however, that such increase shall not exceed 10%. A landlord may accumulate any approved or
8 certified increase which exceeds this amount, subject to the 10% limit.

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

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

14 (i) If the base rent is equal to or greater than the Payment
15 Standard, the rent increase limitations in Sections 37.3(a)(1) and (2) shall apply to the entire
16 base rent, and the arbitration procedures for those increases set forth in section 37.8 and 37.8A
17 shall apply.

18 (ii) If the base rent is less than the Payment Standard, the rent
19 increase limitations of this Chapter shall not apply; provided, however, that any rent increase
20 which would result in the base rent being equal to or greater than the Payment Standard shall
21 not result in a new base rent that exceeds the Payment Standard plus the increase allowable
22 under Section 37.3(a)(1).

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

28 (b) Notice of Rent Increase for Tenants in Occupancy. On or before the date upon

1 which a landlord gives a tenant legal notice of a rent increase, the landlord shall inform the
2 tenant, in writing, of the following:

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

5 (2) Which portion of the rent increase reflects costs for increased operating and
6 maintenance expenses, rents for comparable units, and/or capital improvements, rehabilitation,
7 energy conservation improvements, or renewable energy improvements certified pursuant to
8 Section 37.7. Any rent increase certified due to increases in operating and maintenance costs
9 shall not exceed seven percent.

10 (3) Which portion of the rent increase reflects the passthrough of charges for:
11 gas and electricity; or the passthrough of increased water bill charges attributable to water rate
12 increases resulting from issuance of water revenue bonds authorized at the November 2002
13 election as provided by Section 37.3(a)(5)(B)), which charges and calculations of charges shall
14 be explained in writing on a form provided by the Board; or the passthrough of general obligation
15 bond measure costs as provided by Section 37.3(a)(6), which charges shall be explained in
16 writing on a form provided by the Board as described in Section 37.3(a)(6)(E);

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

19 (5) Nonconforming Rent Increases. Any rent increase which does not conform
20 with the provisions of this section shall be null and void.

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

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

27 (d) Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50, et seq.).

28 Consistent with the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50, et seq.)

1 and regardless of whether otherwise provided under Chapter 37:

2 (1) Property Owner Rights to Establish Initial and All Subsequent Rental Rates
3 for Separately Alienable Parcels.

4 (A) An owner of residential real property may establish the initial and all
5 subsequent rental rates for a dwelling or a unit which is alienable separate from the title to any
6 other dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b), (d),
7 or (f) of Section 11004.5 of the California Business and Professions Code. The owner's right to
8 establish subsequent rental rates under this paragraph shall not apply to a dwelling or unit where
9 the preceding tenancy has been terminated by the owner by notice pursuant to California Civil
10 Code Section 1946 or has been terminated upon a change in the terms of the tenancy noticed
11 pursuant to California Civil Code Section 827: in such instances, the rent increase limitation
12 provisions of Chapter 37 shall continue to apply for the duration of the new tenancy in that
13 dwelling or unit.

14 (B) Where the initial or subsequent rental rates of a Subsection
15 37.3(d)(1)(A) dwelling or unit were controlled by the provisions of Chapter 37 on January 1,
16 1995, the following shall apply:

17 (i) A tenancy that was in effect on December 31, 1995 remains
18 subject to the rent control provisions of this Chapter 37, and the owner may not otherwise
19 establish the subsequent rental rates for that tenancy.

20 (ii) On or after January 1, 1999 an owner may establish the initial
21 and all subsequent rental rates for any tenancy created on or after
22 January 1, 1996.

23 (C) An owner's right to establish subsequent rental rates under
24 Subsection 37.3(d)(1) shall not apply to a dwelling or unit which contains serious health, safety,
25 fire or building code violations, excluding those caused by disasters for which a citation has been
26 issued by the appropriate governmental agency and which has remained unabated for six
27 months or longer preceding the vacancy.

28 (2) Conditions for Establishing the Initial Rental Rate Upon Sublet or Assignment.

1 Except as identified in this Subsection, nothing in this Subsection 37.3(a)(8)(B) or any other
2 provision of law of the City and County of San Francisco shall be construed to preclude express
3 establishment in a lease or rental agreement of the rental rates to be applicable in the event the
4 rental unit subject thereto is sublet, and nothing in this Subsection shall be construed to impair
5 the obligations of contracts entered into prior to January 1, 1996, subject to the following:

6 (A) Where the original occupant or occupants who took possession of the
7 dwelling or unit pursuant to the rental agreement with the owner no longer permanently reside
8 there, an owner may increase the rent by any amount allowed by this section to a lawful
9 sublessee or assignee who did not reside at the dwelling or unit prior to January 1, 1996.

10 However, such a rent increase shall not be permitted while:

11 (i) The dwelling or unit has been cited in an inspection report by
12 the appropriate governmental agency as containing serious health, safety, fire, or building code
13 violations, as defined by Section 17920.3 of the California Health and Safety Code, excluding
14 any violation caused by a disaster; and,

15 (ii) The citation was issued at least 60 days prior to the date of the
16 vacancy; and,

17 (iii) The cited violation had not been abated when the prior tenant
18 vacated and had remained unabated for 60 days or for a longer period of time. However, the 60-
19 day time period may be extended by the appropriate governmental agency that issued the
20 citation.

21 (B) This Subsection shall not apply to partial changes in occupancy of a
22 dwelling or unit where one or more of the occupants of the premises, pursuant to the agreement
23 with the owner provided for above (37.3(d)(2)), remains an occupant in lawful possession of the
24 dwelling or unit, or where a lawful sublessee or assignee who resided at the dwelling or unit prior
25 to January 1, 1996, remains in possession of the dwelling or unit. Nothing contained in this
26 Subsection 37.3(d)(2) shall be construed to enlarge or diminish an owner's right to withhold
27 consent to a sublease or assignment.

28 (C) Acceptance of rent by the owner shall not operate as a waiver or

1 otherwise prevent enforcement of a covenant prohibiting sublease or assignment or as a waiver
2 of an owner's rights to establish the initial rental rate unless the owner has received written
3 notice from the tenant that is party to the agreement and thereafter accepted rent.

4 (3) Termination or Nonrenewal of a Contract or Recorded Agreement with a
5 Government Agency Limiting Rent. An owner who terminates or fails to renew a contract or
6 recorded agreement with a governmental agency that provides for a rent limitation to a qualified
7 tenant, shall be subject to the following:

8 (A) The tenant(s) who were beneficiaries of the contract or recorded
9 agreement shall be given at least 90 days' written notice of the effective date of the termination
10 and shall not be obligated to pay more than the tenant's portion of the rent, as calculated under
11 that contract or recorded agreement, for 90 days following receipt of the notice of termination or
12 nonrenewal.

13 (B) The owner shall not be eligible to set an initial rent for three years
14 following the date of the termination or nonrenewal of the contract or agreement.

15 (C) The rental rate for any new tenancy established during the three-year
16 period in that vacated dwelling or unit shall be at the same rate as the rent under the terminated
17 or nonrenewed contract or recorded agreement, plus any increases authorized under this
18 Chapter 37 after the date of termination/non renewal.

19 (D) The provisions of Subsections 37.3(d)(3)(B) and (C) shall not apply to
20 any new tenancy of 12 months or more duration established after January 1, 2000, pursuant to
21 the owner's contract or recorded agreement with a governmental agency that provides for a rent
22 limitation to a qualified tenant unless the prior vacancy in that dwelling or unit was pursuant to a
23 nonrenewed or canceled contract or recorded agreement with a governmental agency that
24 provides for a rent limitation to a qualified tenant.

25 (4) Subsection 37.3(d) does not affect the authority of the City and County of San
26 Francisco to regulate or monitor the basis or grounds for eviction.

27 (5) This Subsection 37.3(d) is intended to be and shall be construed to be
28 consistent with the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.)

1 (e) Effect of Deferred Maintenance on Passthroughs for Lead Remediation Techniques.

2 (1) When lead hazards are remediated or abated pursuant to San Francisco
3 Health Code Article 11 or 26, or are violations of state or local housing and/or health and safety
4 laws, there shall be a rebuttable presumption that the lead hazards are caused or created by
5 deferred maintenance as defined herein of the current or previous landlord. If the landlord fails
6 to rebut the presumption, the costs of such work shall not be passed through to tenants as either
7 a capital improvement or an operating and maintenance expense. If the landlord rebuts the
8 presumption, he or she shall be entitled to a rent increase if otherwise justified by the standards
9 set forth in this Chapter.

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

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1 **Sec. 37.4 Establishment; Appointment; Terms; Executive Director; Funding;**
2 **Compensation.**

3 [Amended by Ord. No. 435-86, effective December 10, 1986; Ord. No. 162-93,
4 effective June 28, 1993; Ord. No. 222-03, effective October 5, 2003]

5 (a) There is hereby established a board to be known as the San Francisco Residential
6 Rent Stabilization and Arbitration Board (hereinafter called "Board"), consisting of five (5)
7 members. Regular members, each of whom shall have a specific alternate having the same
8 qualifications as the regular member, shall serve at the pleasure of the Mayor. All regular
9 members and alternate members shall be appointed by the Mayor.

10 (b) The board shall consist of two (2) landlords, two (2) tenants, and one (1) person who
11 is neither a landlord nor a tenant and who owns no residential rental property and an alternate
12 for each specific member. All members shall be residents of the City and County of San
13 Francisco. If one of the two regular landlord members is unavailable to vote, that regular
14 member's specific alternate shall be seated and vote, and if that regular member's specific
15 alternate is also unavailable to vote, the other landlord alternate shall (if available) be seated and
16 vote as a substitute alternate. If one of the two regular tenant members is unavailable to vote,
17 that regular member's specific alternate shall be seated and vote, and if that regular member's
18 specific alternate is also unavailable to vote, the other tenant alternate shall (if available) be
19 seated and vote as a substitute alternate.

20 (c) In accordance with applicable state law, all members shall disclose all present
21 holdings and interests in real property, including interests in corporations, trusts or other entities
22 with real property holdings.

23 (d) All members shall be appointed by the Mayor to serve forty-eight (48) month terms.
24 All vacancies occurring during a term shall be filled for the unexpired term.

25 (e) The Board shall elect a chairman and vice-chairman from among its regular
26 members.

27 (f) The position of Executive Director to the board shall be established pursuant to and
28 subject to Charter Sections 3.500 and 8.200. The person occupying the position of Executive
Director shall be appointed by the chairman of the board with the approval of a majority of the
members. All staff personnel shall be under the immediate direction and supervision of the

1 Executive Director.

2 (g) Pursuant to the budgetary and fiscal provisions of the Charter, the board of
3 supervisors shall provide funds to pay for staff personnel, services and facilities as may be
4 reasonably necessary to enable the board to exercise its powers and perform its duties under
5 this chapter. A special fund to be known as the Residential Rent Stabilization and Arbitration
6 Fund shall be established under the supervision and direction of the board for the receipt of fees
7 under this chapter, such fees to be appropriated by the Board of Supervisors for the operation of
8 the board.

9 (h) Subject to the budgetary and fiscal limitations of the Charter, each member shall be
10 paid \$75 per Commission meeting attended if the meeting lasts for 6 hours or more in a single
11 24 hour period. The Commission shall adopt rules to allow for payment of an equitable portion
12 of this per diem if a meeting lasts less than six hours. Total per diem shall not exceed \$750 per
13 month. In addition, each member may receive reimbursement for actual expenses incurred in
14 the course and scope of the member's duties.

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Sec. 37.5 Meetings of the Board.

[Amended by Ord. No. 347-99, effective January 29, 2000]

(a) Time and Place of Meetings. The board shall meet as often as necessary to stay current with the workload but in no event less than once a month. The time and place of meetings shall be determined by rules adopted by the board. The first meeting shall be held within fifteen (15) days of the appointment of the first board. The matter of establishing standards for the selection of Administrative Law Judges shall be considered at the first meeting.

(b) Quorum. A quorum for the transaction of official business shall consist of a majority of the total board members. No action may be taken by the board at any meeting attended by less than the quorum. A decision by the board shall require a majority of all of the members of the board.

(c) Special Meetings. The board may hold special meetings in accordance with Charter Section 3.500.

(d) Meetings Open and Public. All meetings of the board shall be open and public in accordance with the Charter and applicable state law.

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Sec. 37.6 Powers and Duties.

[Amended by Ord. No. 20-84, effective February 18, 1984; Ord. No. 7-87, effective February 14, 1987; Ord. No. 347-99, effective January 29, 2000; Ord. No. 62-02, effective June 2, 2002; Ord. No. 107-02, effective August 4, 2002; Ord. No. 251-06, effective November 10, 2006]

In addition to other powers and duties set forth in this chapter, and in addition to powers under the Charter and powers and duties under Administrative Code Chapter 49 ("Interest Rates on Security Deposits), the Board shall have the power to:

(a) Promulgate policies, rules and regulations to effectuate the purposes of this chapter; and to effectuate the purposes of Administrative Code Chapter 41D;

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

(c) Conduct rental arbitration hearings and residential hotel visitor policy hearings, and administer oaths and affirmations in connection with such hearings;

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

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

(f) Report bi-annually to the mayor and the board of supervisors on its activities and on progress made towards the achievement of the purposes of the chapter;

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

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

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

(j) Maintain on at least a monthly basis, statistics on the number of notices to vacate filed with the Board pursuant to Section 37.9(c) and statistics on the causes given in such notices or in any additional written documents as provided in Section 37.9(c). Statistics shall include available data on evictions involving school-age (kindergarten through grade twelve) children,

1 including data on whether the evictions occurred during the school term. Said statistics shall be
2 published in a report on March 1 every year, and copies of the report shall be submitted to the
3 Mayor and Board of Supervisors;

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

8 (l) Periodically review the Uniform Visitor Policy for Residential Hotels and determine
9 amendments as appropriate; and hear and determine hotel operator petitions for Supplemental
10 Visitor Policies, consistent with Administrative Code Chapter 41D (Residential Hotel Visitor
11 Policies).

12 (m) Hear and decide petitions from residential hotel occupants (whether or not an
13 occupant qualifies as a "tenant" under this Chapter 37) who allege violation of Administrative
14 Code Chapter 41D, including alleged violations of the Uniform Visitor Policy or any approved
15 Supplemental Visitor Policy. Current or former hotel occupants may file such petitions. These
16 petitions may require a determination whether, and to what extent, a residential hotel's policies
17 are in compliance with Administrative Code Chapter 41D, including compliance with the Uniform
18 Visitor Policy.

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1 **Sec. 37.7 Certification of Rent Increases for Capital Improvements, Rehabilitation**
2 **Work, Energy Conservation Improvements, and Renewable Energy**
3 **Improvements.**

4 [Amended by Ord. No. 358-80, effective August 24, 1980; Ord. No. 72-82,
5 effective March 21, 1982; Ord. No. 438-83, effective October 2, 1983; Ord. No.
6 278-89, effective September 1, 1989; Ord. No. 162-93, effective June 28, 1993;
7 Ord. No. 347-99, effective January 29, 2000; Ord. No. 02-03, effective February
8 21, 2003]

9 (a) Authority. In accordance with such guidelines as the Board shall establish, the Board
10 and designated Administrative Law Judges shall have the authority to conduct hearings in order
11 to certify rental increases to the extent necessary to amortize the cost of capital improvements,
12 rehabilitation, energy conservation improvements, and renewable energy improvements. Costs
13 determined to be attributable to such work and improvements shall be amortized over a period
14 which is fair and reasonable for the type and the extent of the work and improvements, and
15 which will provide an incentive to landlords to maintain, improve and renovate their properties
16 while at the same time protecting tenants from excessive rent increases. Costs attributable to
17 routine repair and maintenance shall not be certified.

18 (b) Requirements for Certification. The Board and designated Administrative Law
19 Judges may only certify the costs of capital improvements, rehabilitation, energy conservation
20 improvements, and renewable energy improvements, where the following criteria are met:

21 (1) The landlord completed capital improvements or rehabilitation on or after April
22 15, 1979, or the landlord completed installation of energy conservation measures on or after July
23 24, 1982 and has filed a proof of compliance with the Bureau of Building Inspection in
24 accordance with the requirements of Section 1207(d) of the Housing Code;

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

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

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

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

 (6) The cost is not for work required to correct a code violation for which a notice

1 of violation has been issued and remained unabated for 90 days unless the landlord made timely
2 good faith efforts within that 90-day period to commence and complete the work but was not
3 successful in doing so because of the nature of the work or circumstances beyond the control of
4 the landlord. The landlord's failure to abate within the original 90-day period raises a rebuttable
5 presumption that the landlord did not exercise timely good faith efforts.

6 (c) Amortization and Cost Allocation. The Board shall establish amortization periods and
7 cost allocation formulas, in accordance with this Section 37.7. Costs shall be allocated to each
8 unit according to the benefit of the work and improvements attributable to such unit.

9 (1) Applications Filed Before November 14, 2002. The following provisions shall
10 apply to all applications filed before November 14, 2002.

11 (A) Amortization Periods. Costs shall be amortized on a straight-line
12 basis over a seven or ten-year period, depending upon which category described below most
13 closely relates to the type of work or improvement and its estimated useful life.

14 (i) Schedule I - Seven-Year Amortization. The following shall be
15 amortized over a seven-year period: Appliances, such as new stoves, disposals, washers, dryers
16 and dishwashers; fixtures, such as garage door openers, locks, light fixtures, water heaters and
17 blankets, shower heads, time clocks and hot water pumps; and other improvements, such as
18 carpeting, linoleum, and exterior and interior painting of common areas. If the appliance is a
19 replacement for which the tenant has already had the benefit, the cost will not be amortized as a
20 capital improvement, but will be considered part of operating and maintenance expenses.
21 Appliances may be amortized as capital improvements when: (1) part of a remodeled kitchen; (2)
22 based upon an agreement between the tenant and landlord; and/or (3) it is a new service or
23 appliance the tenant did not previously have.

24 (ii) Schedule II - Ten-Year Amortization. The following shall be
25 amortized over a ten-year period: New foundation, new floor structure, new ceiling or walls -
26 new sheetrock, new plumbing (new fixtures, or piping,) weather stripping, ceiling insulation, seals
27 and caulking, new furnaces and heaters, refrigerators, new electrical wiring, new stairs, new roof
28 structure, new roof cover, new window, fire escapes, central smoke detection system, new wood

1 or tile floor cover, new sprinkler system, boiler replacement, air conditioning-central system,
2 exterior siding or stucco, elevator rebuild, elevator cables, additions such as patios or decks,
3 central security system, new doors, new mail boxes, new kitchen or bathroom cabinets, and
4 sinks.

5 (B) Allowable Increase. One hundred percent (100%) of the certified
6 costs of capital improvements, rehabilitation, and energy conservation improvements may be
7 passed through to the tenants who benefit from such work and improvements. However no
8 increase under this Subsection 37.7(c)(1) shall exceed, in a twelve-month period, ten percent
9 (10%) of the tenant's base rent at the time the petition was filed or \$30.00, whichever is greater.
10 A landlord may accumulate any certified increase which exceeds this amount and impose the
11 increase in subsequent years, subject to this 10% or \$30.00 limitation.

12 (2) Applications Filed On or After November 14, 2002 For Qualified Energy
13 Conservation Improvements and Renewable Energy Improvements. For Applications filed on or
14 after November 14, 2002, the following provisions shall apply to certification of costs for qualified
15 energy conservation improvements and renewable energy improvements.

16 (A) Amortization Periods. Costs shall be amortized on a straight-line
17 basis over the period of time provided in 37.7(c)(2)(B)(i), or as determined pursuant to the
18 procedure provided in 37.7(c)(2)(B)(ii).

19 (B) For purposes of this Subsection 37.7(c)(2), qualified energy
20 conservation improvements and renewable energy improvements are:

21 (i) 100% of new EPA Energy-Star-compliant refrigerators where
22 the refrigerator replaced is more than five years old and where the unit has separate metering,
23 which costs shall be amortized on a straight-line basis over a ten-year period; and,

24 (ii) Other improvements as may be approved by the Board of
25 Supervisors upon recommendation of the Rent Board, following hearings and recommendations
26 by the Commission on the Environment in an Energy Conservation Improvements and
27 Renewable Energy Improvements List (List), as follows:

28 (l) The Commission on the Environment shall hold

1 hearings to develop a list of recommended energy conservation improvements and renewable
2 energy improvements that demonstrably benefit tenants in units that have separate electrical
3 and/or natural gas metering. Such recommendations shall include consideration of cost
4 effectiveness for tenants, appropriate amortization schedules, and permissible passthrough
5 amounts that will encourage landlords to make such improvements.

6 (II) The Commission shall also consider whether the
7 certification for each such improvement should include the entire improvement, or only that
8 portion of the improvement cost directly attributable to energy conservation or renewable energy.

9 (III) The List shall take into consideration the variety and
10 conditions of housing in the City.

11 (IV) The Commission on the Environment shall adopt the
12 List at a public meeting, and shall transmit the List to the Rent Board no later than August 21,
13 2003.

14 (V) The Commission on the Environment shall periodically
15 review and amend the List as warranted by changes in technology or conditions in the electricity
16 and natural gas markets. Any amended List shall be transmitted forthwith to the Rent Board.

17 (VI) The Rent Board shall consider any such List received
18 from the Commission on the Environment, and recommend appropriate Subsection 37.7(c)(2)
19 amendments to the Board of Supervisors.

20 (3) Applications Filed On or After November 14, 2002 For Seismic Work and
21 Improvements Required by Law, and for Work and Improvements Required by Laws Enacted
22 After November 14, 2002.

23 For applications filed on or after November 14, 2002:

24 (A) This Subsection 37.7(c)(3) shall apply to certification of costs for
25 seismic work and improvements required by law.

26 (B) This Subsection 37.7(c)(3) shall apply to certification of costs for
27 capital improvement, rehabilitation, energy conservation, and renewable energy work and
28 improvements required by federal, state, or local laws enacted on or after November 14, 2002.

1 (C) Amortization Periods. Costs shall be amortized on a straight-line
2 basis over a twenty-year period.

3 (D) Allowable Increase. One hundred percent (100%) of the certified
4 costs of capital improvement, rehabilitation, energy conservation, and renewable energy work
5 and improvements required by law may be passed through to the tenants who benefit from such
6 work and improvements. Any rent increases under this Section 37.7(c)(3) shall not exceed, in a
7 twelve-month period, a total of ten percent (10%) of the tenant's base rent at the time the petition
8 was filed or \$30.00, whichever is greater. A landlord may accumulate any certified increase
9 which exceeds this amount and impose the increase in subsequent years, subject to this 10% or
10 \$30.00 limitation.

11 (4) Applications Filed On or After November 14, 2002 for Other Work and
12 Improvements On Properties With Five Residential Units or Less. For applications filed on or
13 after November 14, 2002, the following provisions shall apply to certification of all work and
14 improvements for properties containing five residential units or less, with the exception of work
15 and improvements costs certified for passthrough under Subsections 37.7(c)(2) or (3):

16 (A) Amortization Periods. Costs shall be amortized on a straight-line
17 basis over a ten, fifteen or twenty-year period, depending upon which category described below
18 most closely relates to the type of work or improvement and its estimated useful life.

19 (i) Schedule I - Ten-Year Amortization. The following shall be
20 amortized over a ten-year period: New roof structure, new roof cover, electrical heaters, central
21 security system, telephone entry systems, new wood frame windows, new mailboxes, weather-
22 stripping, ceiling insulation, seals and caulking, central smoke detection system, new doors and
23 skylights; appliances, such as new stoves, disposals, refrigerators, washers, dryers and
24 dishwashers; fixtures, such as garage door openers, locks, light fixtures, water heaters and
25 blankets, shower heads, time clocks and hot water pumps; and other improvements, such as
26 carpeting, linoleum, and exterior and interior painting of common areas. If the appliance is a
27 replacement for which the tenant has already had the benefit, the cost will not be amortized as a
28 capital improvement but will be considered part of operating and maintenance expenses.

1 Appliances may be amortized as capital improvements when: (1) part of a remodeled kitchen; (2)
2 based upon an agreement between the tenant and landlord; and/or (3) it is a new service or
3 appliance the tenant did not previously have.

4 (ii) Schedule II - Fifteen-Year Amortization. The following shall be
5 amortized over a fifteen-year period: New floor structure, new ceiling or walls - new sheetrock,
6 wood decks, new stairs, new furnaces and gas heaters, new thermal pane windows, new wood
7 or tile floor cover, new sprinkler systems, air conditioning-central system, exterior siding or
8 stucco, elevator rebuild, elevator cables, new kitchen or bathroom cabinets, and sinks.

9 (iii) Schedule III - Twenty-Year Amortization. The following shall
10 be amortized over a twenty-year period: New foundation, new plumbing (new fixtures or piping),
11 boiler replacement, new electrical wiring, fire escapes, concrete patios, iron gates, sidewalk
12 replacement and chimneys.

13 (B) Allowable Increase. One hundred percent (100%) of the certified
14 costs of capital improvement, rehabilitation, and energy conservation work and improvements
15 may be passed through to the tenants who benefit from such work and improvements. However,
16 no increase under this Subsection 37.7(c)(4) shall exceed, in a twelve-month period, five percent
17 (5%) of the tenant's base rent at the time the petition was filed or \$30.00, whichever is greater.
18 A landlord may accumulate any certified increase which exceeds this amount and impose the
19 increase in subsequent years subject to this 5% or \$30.00 limitation.

20 (5) For Applications Filed On or After November 14, 2002 for Other Work and
21 Improvements for Properties with Six or more Residential Units. For applications filed on or after
22 November 14, 2002, the following provisions shall apply to certification of all work and
23 improvements for properties containing six residential units or more, with the exception of work
24 and improvements certified under Subsections 37.7(c)(2) or (3):

25 (A) Amortization Periods. Costs shall be amortized on a straight-line
26 basis over a seven or ten-year period, depending upon which category described below most
27 closely relates to the type of work or improvement and its estimated useful life.

28 (i) Schedule I - Seven-Year Amortization. The following shall be

1 amortized over a seven-year period: Appliances, such as new stoves, disposals, washers, dryers
2 and dishwashers; fixtures, such as garage door openers, locks, light fixtures, water heaters and
3 blankets, shower heads, time clocks and hot water pumps; and other improvements, such as
4 carpeting, linoleum, and exterior and interior painting of common areas. If the appliance is a
5 replacement for which the tenant has already had the benefit, the cost will not be amortized as a
6 capital improvement, but will be considered part of operating and maintenance expenses.

7 Appliances may be amortized as capital improvements when: (1) part of a remodeled kitchen; (2)
8 based upon an agreement between the tenant and landlord; and/or (3) it is a new service or
9 appliance the tenant did not previously have.

10 (ii) Schedule II - Ten-Year Amortization. The following shall be
11 amortized over a ten year period: New foundation, new floor structure, new ceiling or walls -
12 new sheetrock, new plumbing (new fixtures, or piping) weather- stripping, ceiling insulation,
13 seals and caulking, new furnaces and heaters, refrigerators, new electrical wiring, new stairs,
14 new roof structure, new roof cover, new window, fire escapes, central smoke detection system,
15 new wood or tile floor cover, new sprinkler system, boiler replacement, air conditioning-central
16 system, exterior siding or stucco, elevator rebuild, elevator cables, additions such as patios or
17 decks, central security system, new doors, new mail boxes, new kitchen or bathroom cabinets,
18 sinks, telephone entry system, skylights, iron gates, sidewalk replacement and chimneys.

19 (B) Allowable Increase.

20 (i) Only fifty percent (50%) of the costs certified under this
21 Subsection 37.7(c)(5) may be passed through to the tenants who benefit from such work and
22 improvements. However, no increase under this Subsection 37.7(c)(5) shall exceed, in a twelve-
23 month period, ten percent (10%) of the tenant's base rent at the time the petition was filed or
24 \$30.00, whichever is greater. A landlord may accumulate any certified increase which exceeds
25 this amount and impose the increase in subsequent years, subject to this 10% or \$30.00
26 limitation.

27 (ii) In the alternative, a tenant may elect to have one hundred
28 percent (100%) of the costs certified under this Subsection 37.7(c)(5) passed through to the

1 tenant. In that event no increase under this Subsection shall exceed, in a twelve-month period,
2 five percent (5%) of the tenant's base rent at the time the application was filed, and over the life
3 of the tenancy the total increase shall never exceed fifteen percent (15%) of the tenant's base
4 rent at the time the application was filed. A tenant must elect this alternative by filing such an
5 election with the Board on a form prescribed by the Board. An election may be filed at any time
6 after the application is filed but no later than fifteen (15) calendar days after the Administrative
7 Law Judge's decision on the application is mailed to the tenant. In a unit with multiple tenants,
8 the election form must be signed by a majority (more than 50%) in order for the election to be
9 accepted. If a timely election is made after a decision has been issued, an addendum to the
10 decision will be issued reflecting the tenant's election.

11 (6) Development of On-Line Programs. The Board, in conjunction with the
12 Department of Telecommunications and Information Services, shall design and implement on-
13 line programs by September 1, 2003 to allow landlords and tenants to perform calculations
14 concerning allowable increases for capital improvement, rehabilitation, energy conservation, and
15 renewable energy work, and to compare average costs for work certified in prior decisions.

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

18 (e) Filing Fee. The Board shall establish a filing fee based upon the cost of the capital
19 improvement, rehabilitation, energy conservation improvement, or renewable energy
20 improvement being reviewed. Such fees will pay for the costs of an estimator. These fees shall
21 be deposited in the Residential Rent Stabilization and Arbitration Fund pursuant to Section
22 10.117-88 of this Code.

23 (f) Application Procedures.

24 (1) Pre-Application Notice for Large Projects for Parcels or Buildings Containing
25 Six or More Residential Units. If at any time prior to filing an application the landlord determines
26 that the total cost of a project for a parcel or a building containing six or more residential units is
27 reasonably expected to exceed \$25,000 multiplied by the number of units on the parcel or in the
28 building, the landlord shall immediately inform each tenant and the Rent Board in writing of the

1 anticipated costs of the work. The landlord's notice must occur within 30 days after such
2 determination by the landlord.

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

8 For each petition totaling more than \$25,000, in addition to the supporting
9 material prescribed by the Board for all petitions, the applicant must either:

- 10 (A) Provide copies of competitive bids received for work and materials; or,
11 (B) Provide copies of time and materials billing for work performed by all
12 contractors and subcontractors; or
13 (C) The applicant must pay the cost of an estimator hired by the Board.

14 (3) Filing Date. Applications must be filed prior to the mailing or delivery of legal
15 notice of a rent increase to the tenants of units for which the landlord seeks certification and in
16 no event more than five (5) years after the work has been completed.

17 (4) Effect of Filing Application. Upon the filing of the application, the requested
18 increases will be inoperative until such time as the Administrative Law Judge makes findings of
19 fact at the conclusion of the certification hearing.

20 (5) Notice to Parties. The Board shall calendar the application for hearing before
21 a designated Administrative Law Judge and shall give written notice of the date to the parties at
22 least 10 days prior to the hearing.

23 (g) Certification Hearings.

24 (1) Time of Hearing. The hearing shall be held within 45 days of the filing of the
25 application.

26 (2) Consolidation. To the greatest extent possible, certification hearings with
27 respect to a given building shall be consolidated. Where a landlord and/or tenant has filed a
28 petition for hearing based upon the grounds and under the procedure set forth in Section 37.8,

1 the Board may, in its discretion, consolidate certification hearings with hearings on Section 37.8
2 petitions.

3 (3) Conduct of Hearing. The hearing shall be conducted by an Administrative
4 Law Judge designated by the Board. Both parties may offer such documents, testimony, written
5 declarations or other evidence as may be pertinent to the proceedings. Burden of proof is on the
6 landlord. A record of the proceedings must be maintained for purposes of appeal.

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

- 11 (A) The application and its supporting documentation;
12 (B) Evidence presented at the hearing establishing both the extent and
13 the cost of the work performed;
14 (C) Estimator's report, where such report has been prepared; and
15 (D) Any other such relevant factors as the board shall specify in Rules
16 and Regulations.

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

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

24 (7) Finality of Administrative Law Judge's Decision. The decision of the
25 Administrative Law Judge shall be final unless the Board vacates his or her decision on appeal.

26 (8) Appeals. Either party may file an appeal of the Administrative Law Judge's
27 decision with the Board. Such appeals are governed by Section 37.8(f) below.

28 (h) Hardship Applications.

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(1) A tenant may file a hardship application at any time on grounds of financial hardship with respect to any rent increase based on certified costs of capital improvements, rehabilitation work, energy conservation improvements, or renewable energy improvements. Payment of such rent increase(s) set forth in the hardship application shall be stayed for a period of 60 days from the date of filing, and the stay shall be extended if the Board accepts the application for hearing.

(2) Hardship applications shall be available in multiple languages.

(3) Multilingual notice of hardship application procedures shall be mailed with each Administrative Law Judge or Board decision.

(4) Within six months after February 21, 2003 the Rent Board shall implement a process for direct outreach to landlords and tenants whose primary language is not English, regarding availability and use of the hardship application procedure. Within three months of implementation the Board shall provide a report to the Board of Supervisors regarding this outreach program, describing the implementation process and any known results.

Sec. 37.8 Arbitration of Rental Increase Adjustments.

[Amended by Ord. No. 295-79, effective June 22, 1979; Ord. No. 358-80, effective August 24, 1980; Ord. No. 77-82, effective April 1, 1982; Ord. No. 268-82, effective July 10, 1982; Ord. No. 111-83, effective April 10, 1983; Ord. No. 438-83, effective October 2, 1983; Ord. No. 435-86, effective December 10, 1986; Ord. No. 278-89, effective September 1, 1989; Ord. No. 127-91, effective May 2, 1991; Ord. No. 132-92, effective June 20, 1992; Ord. No. 179-92, effective July 22, 1992; Ord. No. 162-93, effective June 28, 1993; Ord. No. 363-93, effective December 18, 1993; Ord. No. 179-98, effective June 28, 1998; Ord. No. 347-99, effective January 29, 2000; Ord. No. 107-03, effective June 22, 2003; Ord. No. 5-04, effective February 15, 2004]

(a) Authority of Board and Administrative Law Judges. In accordance with such guidelines as the Board shall establish, the Board and designated Administrative Law Judges shall have the authority to arbitrate rental increase adjustments and to administer the rent increase protest procedures with respect to RAP rental units as set forth in Chapter 32 of the San Francisco Administrative Code.

(b) Request for Arbitration.

(1) Landlords. Landlords who seek to impose rent increases which exceed the limitations set forth in Section 37.3(a) above must request an arbitration hearing as set forth in this section. The burden of proof is on the landlord. This Section 37.8(b)(1) applies, but is not limited, to Operating and Maintenance Expense petitions to increase base rent.

(A) Where a landlord Operating and Maintenance Expense petition to increase base rent is granted, based upon a petition pending or filed on or after October 28, 2003 for a property with six or more residential units, the same landlord shall not impose more than a total seven percent (7%) base rent increase on any unit in any five (5) year period due to increases in operating and maintenance costs.

(2) Tenants.

(A) Notwithstanding Section 37.3, tenants of non-RAP rental units and tenants of RAP rental units in areas designated on or after July 1, 1977 may request arbitration hearings where a landlord has substantially decreased services without a corresponding reduction in rent and/or has failed to perform ordinary repair and maintenance under state or local law and/or has failed to provide the tenant with a clear explanation of the current charges for gas and electricity passed through to the tenant and/or imposed a nonconforming rent

1 increase which is null and void. The burden of proof is on the tenant.

2 (B) Tenants of RAP rental units in areas designated prior to July 1, 1977
3 may petition for a hearing where the landlord has noticed an increase which exceeds the
4 limitations set forth in Section 32.73 of the San Francisco Administrative Code. After a vacancy
5 has occurred in a RAP rental unit in said areas, a new tenant of said unit may petition for a
6 hearing where the landlord has demanded and/or received a rent for that unit which exceeds the
7 rent increase limitation set forth in Section 32.73 of the San Francisco Administrative Code. The
8 burden of proof is on the landlord.

9 (c) Procedure for Landlord Petitioners.

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

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

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

21 (4) Notice to Parties. The Board shall calendar the petition for hearing before a
22 designated Administrative Law Judge and shall give written notice of the date to the parties at
23 least ten (10) days prior to the hearing.

24 (d) Procedure for Tenant Petitioners.

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

1 37.7, such findings must accompany the petition. If the tenant petitioner has received a
2 notification from the Chief Administrative Officer with respect to base rent and amortization of a
3 RAP loan, such notification must accompany the petition. A tenant petition regarding a gas and
4 electricity passthrough must be filed within one year of the effective date of the passthrough or
5 within one year of the date the passthrough was required to be recalculated pursuant to rules
6 and regulations promulgated by the Board. A tenant petition regarding a water revenue bond
7 passthrough under Section 37.3(a)(5)(B) must be filed within one year of the effective date of the
8 passthrough. A tenant petition regarding a general obligation bond cost passthrough under
9 Section 37.3(a)(6) must be filed within one year of the effective date of the passthrough.

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

14 (e) Hearings.

15 (1) Time of Hearing. The hearing must be held within forty-five (45) days of the
16 filing of the petition. The level of housing services provided to tenants' rental units shall not be
17 decreased during the period between the filing of the petition and the conclusion of the hearing.

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

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

24 (4) Determination of the Administrative Law Judge: Rental Units. Based upon
25 the evidence presented at the hearing and upon such relevant factors as the Board shall
26 determine, the Administrative Law Judge shall make findings as to whether or not the landlord's
27 proposed rental increase exceeding the limitations set forth in Section 37.3 is justified or whether
28 or not the landlord has effected a rent increase through a reduction in services or has failed to

1 perform ordinary repair and maintenance as required by state or local law; and provided further
2 that, where a landlord has imposed a passthrough for property taxes pursuant to Section
3 37.3(6), the same increase in property taxes shall not be included in the calculation of increased
4 operating and maintenance expenses pursuant to this Subsection (4). In making such findings,
5 the Administrative Law Judge shall take into consideration the following factors:

6 (A) Increases or decreases in operating and maintenance expenses,
7 including, but not limited to, real estate taxes, sewer service charges, janitorial service, refuse
8 removal, elevator service, security system, and debt service; provided however, when a unit is
9 purchased after the effective date of this ordinance, and this purchase occurs within two (2)
10 years of the date of the previous purchase, consideration shall not be given to that portion of
11 increased debt service which has resulted from a selling price which exceeds the seller's
12 purchase price by more than the percentage increase in the "Consumer Price Index for All Urban
13 Consumers for the San Francisco-Oakland Metropolitan Area, U.S. Department of Labor"
14 between the date of previous purchase and the date of the current sale, plus the cost of capital
15 improvements or rehabilitation work made or performed by the seller.

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

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

20 (D) Failure to perform ordinary repair, replacement and maintenance in
21 compliance with applicable state and local law.

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

24 (5) Determination of the Administrative Law Judge: RAP Rental Units.

25 (A) Rap Rental units in RAP areas designated prior to July 1, 1977. The
26 Administrative Law Judge shall make findings as to whether or not the noticed or proposed
27 rental increase exceeds the rent increase limitations set forth in Section 32.73 of the San
28 Francisco Administrative Code. In making such findings, the Administrative Law Judge shall

1 apply the rent increase limitations set forth in Chapter 32 of the San Francisco Administrative
2 Code and all rules and regulations promulgated pursuant thereto. The Administrative Law Judge
3 shall consider the evidence presented at the hearing. The burden of proof shall be on the
4 landlord.

5 (B) Rap rental units in RAP areas designated on or after July 1, 1977.

6 The Administrative Law Judge shall make findings with respect to rent increases exceeding the
7 limitations as set forth in Section 37.3 of this chapter. In making such findings, the
8 Administrative Law Judge shall take into consideration the factors set forth in subsection (4)
9 above and shall consider evidence presented at the hearing. The burden of proof is on the
10 landlord.

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

13 (7) Payment or Refund of Rents to Implement Arbitration Decision. Upon finding
14 that all or any portion of the rent increase is or is not justified, or that any nonconforming rent
15 increase is null and void, the Administrative Law Judge may order payment or refund of all or a
16 portion of that cumulative amount within fifteen (15) days of the mailing of the findings of fact or
17 may order the amount added to or offset against future rents; provided, however, that any such
18 order shall be stayed if an appeal is timely filed by the aggrieved party. The Administrative Law
19 Judge may order refunds of rent overpayments resulting from rent increases which are null and
20 void for no more than the three-year period preceding the month of the filing of a landlord or
21 tenant petition, plus the period between the month of filing and the date of the Administrative
22 Law Judge's decision. In any case, calculation of rent overpayments and re-setting of the lawful
23 base rent shall be based on a determination of the validity of all rent increases imposed since
24 April 1, 1982, in accordance with Sections 37.3(b)(5) and 37.3(a)(2) above.

25 (8) Finality of Administrative Law Judge's Decision. The decision of the
26 Administrative Law Judge shall be final unless the Board vacates his decision on appeal.

27 (f) Appeals.

28 (1) Time and Manner. Any appeal to the Board from the determination of the

1 Administrative Law Judge must be made within fifteen (15) calendar days of the mailing of the
2 findings of fact unless such time limit is extended by the board upon a showing of good cause. If
3 the fifteenth day falls on a Saturday, Sunday or legal holiday, the appeal may be filed with the
4 Board on the next business day. The appeal shall be in writing and must state why appellant
5 believes there was either error or abuse of discretion on the part of the Administrative Law
6 Judge. The filing of an appeal will stay only that portion of any Administrative Law Judge's
7 decision which permits payment, refund, offsetting or adding rent.

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

10 (3) Appeals. The Board shall, in its discretion, hear appeals. In deciding whether
11 or not to hear a given appeal, the board shall consider, among other factors, fairness to the
12 parties, hardship to either party, and promoting the policies and purposes of this chapter, in
13 addition to any written comments submitted by the Administrative Law Judge whose decision is
14 being challenged. The Board may also review other material from the administrative record of
15 the matter as it deems necessary. A vote of three (3) members shall be required in order for an
16 appeal to be heard.

17 (4) Remand to Administrative Law Judge Without Appeal Hearing. In those
18 cases where the Board is able to determine on the basis of the documents before it that the
19 Administrative Law Judge has erred, the board may remand the case for further hearing in
20 accordance with its instructions without conducting an appeal hearing. Both parties shall be
21 notified as to the time of the re-hearing, which shall be conducted within thirty (30) days of
22 remanding by the board. In those cases where the board is able to determine on the basis of the
23 documents before it that the Administrative Law Judge's findings contain numerical or clerical
24 inaccuracies, or require clarification, the board may continue the hearing for purposes of re-
25 referring the case to said Administrative Law Judge in order to correct the findings.

26 (5) Time of Appeal Hearing; Notice to Parties. Appeals accepted by the board
27 shall be heard within forty-five (45) days of the filing of an appeal. Within thirty (30) days of the
28 filing of an appeal, both parties shall be notified in writing as to whether or not the appeal has

1 been accepted. If the appeal has been accepted, the notice shall state the time of the hearing
2 and the nature of the hearing. Such notice must be mailed at least ten (10) days prior to the
3 hearing.

4 (6) Appeal Hearing; Decision of the Board. At the appeal hearing, both appellant
5 and respondent shall have an opportunity to present oral testimony and written documents in
6 support of their positions. After such hearing and after any further investigation which the board
7 may deem necessary the board may, upon hearing the appeal, affirm, reverse or modify the
8 Administrative Law Judge's decision or may remand the case for further hearing in accordance
9 with its findings. The board's decision must be rendered within forty-five (45) days of the hearing
10 and the parties must be notified of such decision.

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

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

17 (9) Limitation of Actions. A landlord or tenant aggrieved by any decision of the
18 Board must seek judicial review within ninety (90) calendar days of the date of mailing of the
19 decision.

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1 **Sec. 37.8A Expedited Hearing Procedures.**

2 [Added by Ordinance No. 133-92, effective June 20, 1992; amended by Ord. No.
3 347-99, effective January 29, 2000]

4 As an alternative to the hearing procedures set forth in Sections 37.7(g) and 37.8(e)
5 above, a landlord or tenant may, in certain cases, obtain an expedited hearing and final order
6 with the written consent of all parties. This section contains the exclusive grounds and
7 procedures for such hearings.

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

10 (1) Any landlord capital improvement petition where the proposed increase for
11 certified capital improvement costs does not exceed the greater of 10% or \$30.00 of a tenant's
12 base rent and the parties stipulate to the cost of the capital improvements;

13 (2) Any tenant petition alleging decreased housing services with a past value not
14 exceeding \$1,000.00 as of the date the petition is filed;

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

17 (4) Any tenant petition alleging unlawful rent increases where the parties stipulate
18 to the tenant's rent history and the rent overpayments do not exceed a total of \$1,000.00 as of
19 the date the petition is filed;

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

22 (b) Hearing Procedures. The petition application procedures of Sections 37.7(f) and
23 Section 37.8(c) and (d) apply to petitions for expedited hearings. The hearings shall be
24 conducted according to the following procedures:

25 (1) Time of Hearing. The hearing must be held within twenty-one (21) days of
26 the filing of the written consent of all the parties. The level of housing services provided to
27 tenants' rental units shall not be decreased during the period between the filing of the petition
28 and the conclusion of the hearing.

 (2) Consolidation. To the greatest extent possible, and only with the consent of

1 the parties, hearings with respect to a given building shall be consolidated.

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

9 (4) Order of the Administrative Law Judge. Based upon all criteria set forth in
10 Section 37.7(4) and 37.8(e)(4) governing the petition, the Administrative Law Judge shall make a
11 written order no later than ten (10) days after the hearing. The Administrative Law Judge shall
12 make no findings of fact. The Administrative Law Judge shall order payment or refund of
13 amounts owing to a party or parties, if amounts are owed, within a period of time not to exceed
14 forty-five (45) days.

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

20 (6) Finality of Administrative Law Judge's Order. If no objection to the
21 Administrative Law Judge's order is made pursuant to Subsection (c)(5) above, the order
22 become final. The order is not subject to appeal to the Board under Section 37.8(f) nor is it
23 subject to judicial review pursuant to Section 37.8(f)(9).

1 **Sec. 37.8B Expedited Hearing and Appeal Procedures for Capital Improvements**
2 **Resulting From Seismic Work on Unreinforced Masonry Buildings**
3 **Pursuant to Building Code Chapters 16B and 16C where Landlords**
4 **Performed the Work with a UMB Bond Loan.**

[Added by Ord. No. 221-92, effective August 13, 1992; amended by Ord. No.
347-99, effective January 29, 2000; Ord. No. 02-03, effective February 21, 2003]

5 This section contains the exclusive procedures for all hearings concerning certification of
6 the above-described capital improvements. Landlords who perform such work without a UMB
7 bond loan are subject to the capital improvement certification procedures set forth in Section
8 37.7 above.

9 (a) Requirements for Certification. The landlord must have completed the capital
10 improvements in compliance with the requirements of Building Code Chapters 16B and 16C.
11 The certification requirements of Section 37.7(b)(2) and (b)(3) are also applicable.

12 (b) Amortization and Cost Allocation; Interest. Costs shall be equally allocated to each
13 unit and amortized over a 20-year period or the life of any loan acquired for the capital
14 improvements, whichever is longer. Interest shall be limited to the actual interest rate charged
15 on the loan and in no event shall exceed 10% per year.

16 (c) Eligible Items, Costs. Only those items required in order to comply with Building
17 Code Chapters 16B and 16C may be certified. The allowable cost of such items may not exceed
18 the costs set forth in the Mayor's Office of Economic Planning and Development's publication of
19 estimated cost ranges for bolts plus retrofitting by building prototype and/or categories of eligible
20 construction activities.

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

25 (1) Time of Hearing; Consolidation; Conduct of Hearing. The hearing must be
26 held within twenty-one (21) days of the filing of the application. The consolidation and hearing
27 conduct procedures of Section 37.7(g)(2) and (g)(3) apply.

28 (2) Determination of Administrative Law Judge. In accordance with the
requirements of this section, the Administrative Law Judge shall make findings as to whether or

1 not the proposed rent increases are justified based upon the following considerations:

2 (A) The application and its supporting documentation;

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

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

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

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

10 (3) Findings of Fact; Effect of Decision. The Administrative Law Judge shall
11 make written findings of fact, copies of which shall be mailed within twenty-one (21) days of the
12 hearing. The decision of the Administrative Law Judge is final unless the Board vacates it on
13 appeal.

14 (e) Appeals. Either party may appeal the Administrative Law Judge's decisions in
15 accordance with the requirements of Section 37.8(f)(1),(f)(2) and (f)(3). The Board shall decide
16 whether or not to accept an appeal within twenty-one (21) days.

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

20 (2) Rent Increases. A landlord may not impose any rent increases approved by
21 the Board on appeal without at least sixty (60) days notice to the tenants.

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1 **Sec. 37.8C Temporary Moratorium on Rent Board Processing or Approval of**
2 **Landlord Petitions for Certification and Passthrough of Non-Seismic**
3 **Capital Improvement, Rehabilitation and Energy Conservation Costs to**
4 **Tenants, During Pendency of the Superior Court Preliminary Injunction**
5 **Staying Implementation of November 2000 Proposition H.**
6 [Added by Ordinance No. 29-01, effective April 1, 2001]

7 The Board, Administrative Law Judges and other Board staff, are prohibited from
8 processing or approving landlord petitions for certification and passthrough of capital
9 improvement, rehabilitation and energy conservation costs to tenants, for a temporary
10 moratorium period commencing on April 1, 2001 and continuing until the San Francisco Superior
11 Court dissolves its preliminary injunction staying the implementation of November 2000
12 Proposition H (entered December 20, 2000, in Quigg v. City and County of San Francisco, et al.,
13 San Francisco Superior Court Case No. 316928), except that petitions which seek only
14 certification and passthrough of seismic retrofit work shall not be affected by this moratorium.
15 This moratorium applies to petitions pending as of the effective date of this ordinance [April 1,
16 2001] and to any landlord petitions filed during the moratorium, whether based on Section
17 37.3(a)(3), 37.7 and/or 37.8A.
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Sec. 37.9 **Evictions.**

[Amended by Ord. No. 295-79, effective June 22, 1979; Ord. No. 358-80, effective August 24, 1980; Ord. No. 539-80, effective December 11, 1980; Ord. No. 4-82, effective February 7, 1982; Ord. No. 268-82, effective July 10, 1982; Ord. No. 498-82, effective November 11, 1982; Ord. No. 438-83, effective October 2, 1983; Ord. No. 425-84, effective November 17, 1984; Ord. No. 193-86, effective June 29, 1986; Ord. No. 7-87, effective February 14, 1987; Ord. No. 30-91, effective February 21, 1991; Ord. No. 192-91, effective June 30, 1991; Ord. No. 405-96, effective November 21, 1996; Ord. No. 109-97-4, effective January 30, 1998; Ord. No. 239-98, effective August 16, 1998; Ord. No. 250-98, effective August 30, 1998; Ord. No. 293-98, effective November 1, 1998; amended by Proposition G, December 18, 1998; amended by Ord. No. 237-99, effective September 29, 1999; Ord. No. 347-99, effective January 29, 2000; Ord. No. 348-99, effective January 29, 2000; Ord. No. 135-01, effective August 5, 2001; Ord. No. 186-01, effective September 27, 2001; Ord. No. 23-02, effective March 24, 2002; Ord. No. 57-02, effective June 2, 2002; revised by Bullard v. San Francisco Rent Board (2003) 106 Cal.App. 4th 488, and Baba v. CCSF (2004) 124 Cal.App. 4th 504; amended by Ord. No. 99-04, effective July 5, 2004; Ord. No. 282-04, effective January 2, 2005; Ord. No. 21-05, effective February 20, 2005; amended by Proposition H, effective December 22, 2006; Ord. 92-07, effective May 27, 2007; Ord. 28-09, effective March 22, 2009]

Notwithstanding Section 37.3, this Section shall apply as of August 24, 1980, to all landlords and tenants of rental units as defined in Section 37.2(r)

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

(1) The tenant:

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

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

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

(B) Habitually pays the rent late; or

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

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

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

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

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

1 a four-bedroom unit; or,

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

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

9 (3.1) Eviction Protection for Victims of Domestic Violence or Sexual Assault or
10 Stalking:

11 (A) It shall be a defense to an action for possession of a unit under
12 Subsection 37.9(a)(3) if the court determines that:

13 (i) The tenant or the tenant's household member is a victim of an
14 act or acts that constitute domestic violence or sexual assault or stalking; and

15 (ii) The notice to vacate is substantially based upon the act or acts
16 constituting domestic violence or sexual assault or stalking against the tenant or a tenant's
17 household member, including but not limited to an action for possession based on complaints of
18 noise, disturbances, or repeated presence of police.

19 (B) Evidence Required. In making the determination under Section
20 37.9(a)(3.1)(A) the court shall consider evidence, which may include but is not limited to:

21 (i) A copy of a temporary restraining order or emergency
22 protective order issued pursuant to Part 3 (commencing with Section 6240) or Part 4
23 (commencing with Section 6300) or Part 5 (commencing with Section 6400) of the Family Code,
24 Section 136.2 of the Penal Code, Section 527.6 of the Code of Civil Procedure, or Section 213.5
25 of the Welfare and Institutions Code, that protects the tenant or tenant's household member from
26 further domestic violence, sexual assault, or stalking. And/or,

27 (ii) A copy of a written report by a peace officer employed by a
28 state or local law enforcement agency acting in his or her official capacity, stating that the tenant

1 or tenant's household member has filed a report alleging that he or she is a victim of domestic
2 violence, sexual assault, or stalking. And/or

3 (iii) Other written documentation from a qualified third party of the
4 acts constituting domestic violence or sexual assault or stalking.

5 (C) Mutual Allegations of Abuse Between Parties. If two or more co-
6 tenants are parties seeking relief under Subsection 37.9(a)(3.1)(A), and each alleges that he or
7 she was a victim of domestic violence or sexual assault or stalking perpetrated by another co-
8 tenant who is also a party, the court may determine whether a tenant acted as the dominant
9 aggressor in the acts constituting a domestic violence or sexual assault or stalking offense. In
10 making the determination, the court shall consider the factors listed in Section 13701(b)(1) of the
11 Penal Code. A tenant who the court determines was the dominant aggressor in the acts
12 constituting a domestic violence or sexual assault or stalking offense is not entitled to relief
13 under Subsection 37.9(a)(3.1)(A).

14 (D) Limitations on Relief. Unless the tenant or the tenant's household
15 member has obtained a protective order against the alleged abuser to vacate or stay from the
16 unit as a result of acts constituting domestic violence or sexual assault or stalking against the
17 tenant or tenant's household member, the tenant may not obtain relief under Subsection
18 37.9(a)(3.1) if:

19 (i) The tenant was granted relief under Subsection 37.9(a)(3.1) in
20 an action for possession of the unit within the previous five years; and

21 (ii) A subsequent action for possession of the unit has now been
22 filed; and

23 (iii) The notice to vacate in this subsequent action for possession
24 is substantially based upon continuing acts constituting domestic violence or sexual assault or
25 stalking by the same person alleged to be the abuser in the previous action for possession.

26 (E) Nothing in this Subsection 37.9(a)(3.1) shall be construed to affect the
27 tenant's liability for delinquent rent or other sums owed to the landlord, or the landlord's
28 remedies in recovering against the tenant for such sums.

1 (F) The provisions of Subsection 37.9(a)(3.1) are intended for use
2 consistent with Civil Code Section 1946.7.

3 (3.2) Confidentiality of Information Received from Victims of Domestic Violence
4 or Sexual Assault or Stalking. A landlord shall retain in strictest confidence all information that is
5 received in confidence from a tenant or a tenant's household member who is a victim of
6 domestic violence or sexual assault or stalking, regarding that domestic violence or sexual
7 assault or stalking, except to the extent that such disclosure (A) is necessary to provide for a
8 reasonable accommodation for the victim, or (B) is otherwise required pursuant to applicable
9 federal, state or local law. The victim may authorize limited or general release of any information
10 otherwise deemed confidential under this Subsection 37.9(a)(3.2).

11 Or,

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

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

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

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

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

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

27 (ii) For the use or occupancy of the landlords grandparents,
28 grandchildren, parents, children, brother or sister, or the landlords spouse or the spouses of

1 such relations, as their principal place of residency for a period of at least 36 months, in the
2 same building in which the landlord resides as his or her principal place of residency, or in a
3 building in which the landlord is simultaneously seeking possession of a rental unit under
4 37.9(a)(8)(i). For purposes of this Section 37.9(a)(8)(ii), the term spouse shall include Domestic
5 Partners as defined in San Francisco Administrative Code Chapter 62.1 through 62.8.

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

16 (iv) A landlord may not recover possession under this Section 37.9(a)(8) if
17 a comparable unit owned by the landlord is already vacant and is available, or if such a unit
18 becomes vacant and available before the recovery of possession of the unit. If a comparable
19 unit does become vacant and available before the recovery of possession, the landlord shall
20 rescind the notice to vacate and dismiss any action filed to recover possession of the premises.
21 Provided further, if a non-comparable unit becomes available before the recovery of possession,
22 the landlord shall offer that unit to the tenant. It shall be evidence of a lack of good faith if a
23 landlord times the service of the notice, or the filing of an action to recover possession, so as to
24 avoid moving into a comparable unit, or to avoid offering a tenant a replacement unit.

25 (v) It shall be rebuttably presumed that the landlord has not acted in good
26 faith if the landlord or relative for whom the tenant was evicted does not move into the rental unit
27 within three months and occupy said unit as that persons principal residence for a minimum of
28 36 consecutive months;

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

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

14 (9) The landlord seeks to recover possession in good faith in order to sell the unit
15 in accordance with a condominium conversion approved under the San Francisco subdivision
16 ordinance and does so without ulterior reasons and with honest intent; or

17 (10) The landlord seeks to recover possession in good faith in order to demolish
18 or to otherwise permanently remove the rental unit from housing use and has obtained all the
19 necessary permits on or before the date upon which notice to vacate is given, and does so
20 without ulterior reasons and with honest intent; provided that a landlord who seeks to recover
21 possession under this Section 37.9(a)(10) shall pay relocation expenses as provided in Section
22 37.9C except that a landlord who seeks to demolish an unreinforced masonry building pursuant
23 to Building Code Chapters 16B and 16C must provide the tenant with the relocation assistance
24 specified in Section 37.9A(e) below prior to the tenant's vacating the premises; or

25 (11) The landlord seeks in good faith to remove temporarily the unit from housing
26 use in order to be able to carry out capital improvements or rehabilitation work and has obtained
27 all the necessary permits on or before the date upon which notice to vacate is given, and does
28 so without ulterior reasons and with honest intent. Any tenant who vacates the unit under such

1 circumstances shall have the right to reoccupy the unit at the prior rent adjusted in accordance
2 with the provisions of this Chapter. The tenant will vacate the unit only for the minimum time
3 required to do the work. On or before the date upon which notice to vacate is given, the landlord
4 shall advise the tenant in writing that the rehabilitation or capital improvement plans are on file
5 with the Central Permit Bureau of the Department of Building Inspection and that arrangements
6 for reviewing such plans can be made with the Central Permit Bureau. In addition to the above,
7 no landlord shall endeavor to recover possession of any unit subject to a RAP loan as set forth in
8 Section 37.2(m) of this Chapter except as provided in Section 32.69 of the San Francisco
9 Administrative Code. The tenant shall not be required to vacate pursuant to this Section
10 37.9(a)(11), for a period in excess of three months; provided, however, that such time period
11 may be extended by the Board or its Administrative Law Judges upon application by the
12 landlord. The Board shall adopt rules and regulations to implement the application procedure.
13 Any landlord who seeks to recover possession under this Section 37.9(a)(11) shall pay
14 relocation expenses as provided in Section 37.9C; or

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

23 (13) The landlord wishes to withdraw from rent or lease all rental units within any
24 detached physical structure and, in addition, in the case of any detached physical structure
25 containing three or fewer rental units, any other rental units on the same lot, and complies in full
26 with Section 37.9A with respect to each such unit; provided, however, that guestrooms or
27 efficiency units within a residential hotel, as defined in Section 50519 of the Health and Safety
28 Code, may not be withdrawn from rent or lease if the residential hotel has a permit of occupancy

1 issued prior to January 1, 1990, and if the residential hotel did not send a notice of intent to
2 withdraw the units from rent or lease (Administrative Code Section 37.9A(f), Government Code
3 Section 7060.4(a)) that was delivered to the Rent Board prior to January 1, 2004; or

4 (14) The landlord seeks in good faith to temporarily recover possession of the
5 unit solely for the purpose of effecting lead remediation or abatement work, as required by San
6 Francisco Health Code Articles 11 or 26. The tenant will vacate the unit only for the minimum
7 time required to do the work. The relocation rights and remedies, established by San Francisco
8 Administrative Code Chapter 72, including but not limited to, the payment of financial relocation
9 assistance, shall apply to evictions under this Section 37.9(a)(14).

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

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

16 (c) A landlord shall not endeavor to recover possession of a rental unit unless at least
17 one of the grounds enumerated in Section 37.9(a) or (b) above is the landlord's dominant motive
18 for recovering possession and unless the landlord informs the tenant in writing on or before the
19 date upon which notice to vacate is given of the grounds under which possession is sought and
20 that advice regarding the notice to vacate is available from the Residential Rent Stabilization and
21 Arbitration Board, before endeavoring to recover possession. A copy of all notices to vacate
22 except three-day notices to vacate or pay rent and a copy of any additional written documents
23 informing the tenant of the grounds under which possession is sought shall be filed with the
24 Board within 10 days following service of the notice to vacate. The District Attorney shall
25 determine whether the units set forth on the list compiled in accordance with Section 37.6(k) are
26 still being occupied by the tenant who succeeded the tenant upon whom the notice was served.
27 In cases where the District Attorney determines that Section 37.9(a)(8) has been violated, the
28 District Attorney shall take whatever action he deems appropriate under this Chapter or under

1 State law.

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

9 (e) It shall be unlawful for a landlord or any other person who willfully assists the landlord
10 to endeavor to recover possession or to evict a tenant except as provided in Section 37.9(a) and
11 (b). Any person endeavoring to recover possession of a rental unit from a tenant or evicting a
12 tenant in a manner not provided for in Section 37.9(a) or (b) without having a substantial basis in
13 fact for the eviction as provided for in Section 37.9(a) shall be guilty of a misdemeanor and shall
14 be subject, upon conviction, to the fines and penalties set forth in Section 37.10A. Any waiver by
15 a tenant of rights under this Chapter shall be void as contrary to public policy.

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

26 (g) The provisions of this Section 37.9 shall apply to any rental unit as defined in
27 Sections 37.2(r)(4)(A) and 37.2(r)(4)(B), including where a notice to vacate/quit any such rental
28 unit has been served as of the effective date of Ordinance No. 250-98, but where any such

1 rental unit has not yet been vacated or an unlawful detainer judgment has not been issued as of
2 the effective date of Ordinance No. 250-98.

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

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

9 (1) A landlord may not recover possession of a unit from a tenant under Section
10 37.9(a)(8) if the landlord has or receives notice, any time before recovery of possession, that any
11 tenant in the rental unit:

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

14 (B) Is disabled within the meaning of Section 37.9(i)(1)(B)(i) and has been
15 residing in the unit for 10 years or more, or is catastrophically ill within the meaning of Section
16 37.9(i)(1)(B)(ii) and has been residing in the unit for five years or more:

17 (i) A disabled tenant is defined for purposes of this Section
18 37.9(i)(1)(B) as a person who is disabled or blind within the meaning of the federal Supplemental
19 Security Income/California State Supplemental Program (SSI/SSP), and who is determined by
20 SSI/SSP to qualify for that program or who satisfies such requirements through any other
21 method of determination as approved by the Rent Board;

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

25 (2) The foregoing provisions of Sections 37.9(i)(1)(A) and (B) shall not apply
26 where there is only one rental unit owned by the landlord in the building, or where each of the
27 rental units owned by the landlord in the same building where the landlord resides (except the
28 unit actually occupied by the landlord) is occupied by a tenant otherwise protected from eviction

1 by Sections 37.9(i)(1)(A) and (B) and where the landlord's qualified relative who will move into
2 the unit pursuant to Section 37.9(a)(8) is 60 years of age or older.

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

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

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

25 (j) Disclosure of Rights to Tenants Before and After Sale of Rental Units Subject to
26 Section 37.9.

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

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

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

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

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

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

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

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

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

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

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

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

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

[Added by Ord. No. 193-86, effective July 1, 1986; amended by Ord. No. 320-94, effective October 15, 1994; Ord. No. 348-99, effective January 29, 2000; Ord. No. 5-00, effective February 13, 2000; Ord. No. 91-03, effective June 15, 2003; Ord. No. 21-05, effective February 20, 2005; revised by Johnson v. CCSF (2006) 137 Cal.App. 4th 7]

(a) Rent Allowed.

(1) Except as provided in Section 37.9A(a)(2) below, any rental unit which a tenant vacates after receiving a notice to quit relying on Section 37.9(a)(13), withdrawal of rental units from rent or lease under the Ellis Act, California Government Code Sections 7060 et seq., if again offered for rent or lease, must be offered and rented or leased at a rent not greater than the lawful rent in effect at the time the notice of intent to withdraw rental units is filed with the Board, plus annual rent increases available under this Chapter 37.

(A) The provisions of Section 37.9A(a)(1) apply to all tenancies commenced during either of the following time periods:

(i) The five-year period after a notice of intent to withdraw the rental units is filed with the Board, whether or not the notice of intent is rescinded or the withdrawal of the units is completed pursuant to that notice;

(ii) The five-year period after the rental units are withdrawn.

(B) This Section 37.9A(a)(1) shall prevail over any conflicting provision of law authorizing the landlord to establish the rental rate upon the initial hiring of the unit.

(C) If it is asserted that the rent could have been increased based on capital improvements, rehabilitation or substantial rehabilitation, the owner must petition the Rent Board pursuant to the procedures of Section 37.7 of this chapter. No increase shall be allowed on account of any expense incurred in connection with withdrawing any unit from rent or lease.

(2) If a new tenancy was lawfully created in a unit before January 1, 2003, following a lawful withdrawal of the unit from rent or lease under Section 37.9(a)(13), any subsequent new tenancies for that rental unit are not subject to the rent limitations in Section 37.9A(a)(1).

(b) Treatment of Replacement Units. If one or more units covered by subsection (a) is demolished, and one or more new units qualifying as rental units under this chapter but for the

1 date on which they first receive a certificate of final completion and occupancy are constructed
2 on the same property, and offered for rent or lease within five years of the date the last of the
3 original units became vacant, the newly constructed units shall be offered at rents not greater
4 than those reasonably calculated to produce a fair and reasonable return on the newly
5 constructed units, notwithstanding Section 37.2(r)(5) or any other provision of this chapter. The
6 provisions of this chapter shall thereafter apply. The Board shall adopt rules for determining the
7 rents necessary to provide a fair and reasonable return.

8 (c) Rights to Re-Rent. Any owner who again offers for rent or lease any unit covered by
9 subsection (a) shall first offer the unit for rent or lease to the tenants or lessees displaced from
10 the unit as follows:

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

17 (2) Notwithstanding Subsection (c)(1), if the unit is offered for rent or lease within
18 10 years of withdrawal, the owner shall notify the Rent Board in writing of the intention to re-rent
19 the unit and make an offer to the tenant or lessee whenever the tenant or lessee requests the
20 offer in writing within 30 days after the owner has notified the City of an intention to re-rent the
21 unit. If the unit is offered for rent or lease more than two years after the date the unit was
22 withdrawn from rent or lease, the owner shall be liable to any tenant or lessee who was
23 displaced for failure to comply with this subsection (c)(2), for punitive damages in an amount
24 which does not exceed the contract rent for six months.

25 (3) If any former tenant or lessee has requested an offer to renew the tenancy,
26 either directly to the landlord or after notice from the Rent Board, then the owner shall offer to
27 reinstitute a rental agreement or lease at rents permitted under Subsection (a). This offer shall
28 be deposited in the United States mail, by registered or certified mail with postage prepaid,

1 addressed to the displaced tenant or lessee at the address furnished to the owner as provided
2 by the tenant and shall describe the terms of the offer. The displaced tenant or lessee shall
3 have 30 days from the deposit of the offer in the mail to accept the offer by personal delivery of
4 that acceptance or by deposit of the acceptance in the United States mail by registered or
5 certified mail with postage prepaid.

6 (4) If more than one tenant or lessee attempts to accept the offer for a given unit,
7 the landlord shall notify each tenant or lessee so accepting that other acceptances have been
8 received, and shall further advise each such tenant or lessee of the names and addresses of the
9 others. If all such tenants or lessees do not within thirty (30) days thereafter agree and notify the
10 landlord of which tenant(s) or lessee(s) will reoccupy the unit, the tenant(s) or lessee(s) who first
11 occupied the unit previously shall be entitled to accept the landlord's offer. If more than one
12 eligible tenant or lessee initially occupied the unit on the same date, then the first such tenant or
13 lessee to have originally sent notice accepting the landlord's offer shall be entitled to occupy the
14 unit.

15 (d) Re-Rental Within Two Years. If a unit covered by subsection (a) is offered for rent or
16 lease within two years of the date of withdrawal:

17 (1) The owner shall be liable to any tenant or lessee who was displaced from the
18 property for actual and exemplary damages. Any action by a tenant or lessee pursuant to this
19 paragraph shall be brought within three years of withdrawal of the unit from rent or lease.
20 However, nothing in this paragraph precludes a tenant from pursuing any alternative remedy
21 available under the law.

22 (2) The City may institute a civil proceeding against the owner who has again
23 offered the unit for rent or lease, for exemplary damages for displacement of tenants or lessees.
24 Any action by the City pursuant to this paragraph shall be brought within three years of the
25 withdrawal of the unit from rent or lease.

26 (e) Relocation Payments to Tenants.

27 (1) Before August 10, 2004, Low Income, Elderly or Disabled. Where a landlord
28 seeks eviction based upon Section 37.9(a)(13), and the notice of intent to withdraw rental units

1 was filed with the Board before August 10, 2004, the relocation payments described in this
2 Subsection 37.9A(e)(1) shall be limited to tenants who are members of lower income
3 households, who are elderly, or who are disabled, as defined below.

4 (A) Tenants who are members of lower income households, as defined by
5 Section 50079.5 of the California Health and Safety Code, and who receive a notice to quit
6 based upon Section 37.9(a)(13), in addition to all rights under any other provision of law, shall be
7 entitled to receive \$4,500.00, \$2,250.00 of which shall be paid within fifteen (15) calendar days
8 of the landlord's receipt of written notice from the tenants of their entitlement to the relocation
9 payment, and \$2,250.00 of which shall be paid when the tenants vacate the unit.

10 (B) With respect to Subsection 37.9A(e)(1)(A) above, the Mayor's Office
11 of Housing or its successor agency shall annually determine the income limits for lower income
12 households, adjusted for household size.

13 (C) Notwithstanding Subsection 37.9A(e)(1)(A), and irrespective of the
14 size of the unit, any tenant who receives a notice to quit under Section 37.9(a)(13) and who, at
15 the time such notice is served, is 62 years of age or older, or who is disabled within the meaning
16 of Section 12955.3 of the California Government Code, shall be entitled to receive \$3,000.00,
17 \$1,500.00 of which shall be paid within fifteen (15) calendar days of the landlord's receipt of
18 written notice from the tenant of entitlement to the relocation payment, and \$1,500.00 of which
19 shall be paid when the tenant vacates the unit.

20 (D) The payments due pursuant to this Subsection 37.9A(e)(1) for any
21 unit which is occupied by more than one tenant shall be divided equally among all the occupying
22 tenants, excluding those tenants who are separately entitled to payments under subsection
23 37.9A(e)(1)(C) above.

24 (2) On August 10, 2004 and through February 19, 2005. Where a landlord seeks
25 eviction based upon Section 37.9(a)(13) and either (i) the notice of intent to withdraw rental units
26 is filed with the Board on or after August 10, 2004 through February 19, 2005 or (ii) the notice of
27 intent to withdraw rental units was filed with the Board prior to August 10, 2004 but the tenant
28 still resided in the unit as of August 10, 2004, relocation payments shall be paid to the tenants as

1 follows:

2 (A) Tenants who are members of lower income households, as defined by
3 Section 50079.5 of the California Health and Safety Code, shall be entitled to receive \$4,500.00,
4 \$2,250.00 of which shall be paid within fifteen (15) calendar days of the landlord's receipt of
5 written notice from the tenants of their entitlement to the relocation payment, and \$2,250.00 of
6 which shall be paid when the tenants vacate the unit.

7 (B) Subject to subsections 37.9A(e)(2)(C) and (D) below, tenants who are
8 not members of lower income households, as defined by Section 50079.5 of the California
9 Health and Safety Code, shall each be entitled to receive \$4,500.00, which shall be paid when
10 the tenant vacates the unit;

11 (C) In the event there are more than three tenants in a unit, the total
12 relocation payment shall be \$13,500.00, which shall be divided equally by the number of tenants
13 in the unit;

14 (D) Notwithstanding Subsections 37.9A(e)(2)(A) and (B), any tenant who,
15 at the time the notice of intent to withdraw rental units is filed with the Board, is 62 years of age
16 or older, or who is disabled within the meaning of Section 12955.3 of the California Government
17 Code, shall be entitled to receive an additional payment of \$3,000.00, \$1,500.00 of which shall
18 be paid within fifteen (15) calendar days of the landlord's receipt of written notice from the tenant
19 of entitlement to the relocation payment, and \$1,500.00 of which shall be paid when the tenant
20 vacates the unit.

21 (3) On or After February 20, 2005. Where a landlord seeks eviction based upon
22 Section 37.9(a)(13), and the notice of intent to withdraw rental units is filed with the Board on or
23 after February 20, 2005, relocation payments shall be paid to the tenants as follows:

24 (A) Subject to subsections 37.9A(e)(3)(B) (C) and (D) below, each tenant
25 shall be entitled to receive \$4,500.00, one-half of which shall be paid at the time of the service of
26 the notice of termination of tenancy, and one-half of which shall be paid when the tenant vacates
27 the unit;

28 (B) In the event there are more than three tenants in a unit, the total

1 relocation payment shall be \$13,500.00, which shall be divided equally by the number of tenants
2 in the unit; and

3 (C) Notwithstanding Subsections 37.9A(e)(3)(A) and (B), any tenant who,
4 at the time the notice of intent to withdraw rental units is filed with the Board, is 62 years of age
5 or older, or who is disabled within the meaning of Section 12955.3 of the California Government
6 Code, shall be entitled to receive an additional payment of \$3,000.00, \$1,500.00 of which shall
7 be paid within fifteen (15) calendar days of the landlord's receipt of written notice from the tenant
8 of entitlement to the relocation payment, and \$1,500.00 of which shall be paid when the tenant
9 vacates the unit.

10 (D) Commencing March 1, 2005, the relocation payments specified in
11 37.9A(e)(3)(A) and (B) and (C) shall increase annually at the rate of increase in the "rent of
12 primary residence" expenditure category of the Consumer Price Index (CPI) for All Urban
13 Consumers in the San Francisco-Oakland-San Jose Region for the preceding calendar year, as
14 that data is made available by the United States Department of Labor and published by the
15 Board.

16 (4) Any notice to quit pursuant to Section 37.9(a)(13) shall notify the tenant or
17 tenants concerned of the right to receive payment under this subsection 37.9A(e)(1) or (2) or (3).

18 (f) Notice to Rent Board; Recordation of Notice; Effective Date of Withdrawal.

19 (1) Any owner who intends to withdraw from rent or lease any rental unit shall
20 notify the Rent Board in writing of said intention. Said notice shall contain statements, under
21 penalty of perjury, providing information on the number of residential units, the address or
22 location of those units, the name or names of the tenants or lessees of the units, and the rent
23 applicable to each residential rental unit. Said notice shall be signed by all owners of record of
24 the property under penalty of perjury and shall include a certification that actions have been
25 initiated as required by law to terminate existing tenancies through service of a notice of
26 termination of tenancy. The notice must be served by certified mail or any other manner
27 authorized by law prior to delivery to the Rent Board of the notice of intent to withdraw the rental
28 units. Information respecting the name or names of the tenants, the rent applicable to any unit,

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

6 (2) Prior to the effective date of withdrawal of rental units under this Section, the
7 owner shall cause to be recorded with the County Recorder a memorandum of the notice
8 required by subsection (f)(1) summarizing its provisions, other than the confidential provisions, in
9 substantially the following form:

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

12 **This memorandum evidences that the undersigned, as the owner of the property**
13 **described in Exhibit A attached, has filed a notice, whose contents are certified under**
14 **penalty of perjury, stating the intent to withdraw from rent or lease all units at said**
property, pursuant to San Francisco Administrative Code Section 37.9A and the Ellis Act
(California Government Code Section 7060 et seq.).

15 _____
(Signature)

16 (3) For a notice of intent to withdraw rental units filed with the Rent Board on or
17 before December 31, 1999, the date on which the units are withdrawn from rent or lease for
18 purposes of this chapter and the Ellis Act is 60 days from the delivery in person or by first-class
19 mail of the Subsection (f)(1) notice of intent to the Rent Board.

20 (4) For a notice of intent to withdraw rental units filed with the Rent Board on or
21 after January 1, 2000, the date on which the units are withdrawn from rent or lease for purposes
22 of this Chapter and the Ellis Act is 120 days from the delivery in person or by first-class mail of
23 the Subsection (f)(1) notice of intent to the Rent Board. Except that, if the tenant or lessee is at
24 least 62 years of age or disabled as defined in Government Code 12955.3, and has lived in his
25 or her unit for at least one year prior to the date of delivery to the Rent Board of the Subsection
26 (f)(1) notice of intent to withdraw, then the date of withdrawal of the unit of that tenant or lessee
27 shall be extended to one year after the date of delivery of that notice to the Rent Board, provided
28 that the tenant or lessee gives written notice of his or her entitlement to an extension of the date

1 of withdrawal to the owner within 60 days of the date of delivery to the Rent Board of the
2 Subsection (f)(1) notice of intent to withdraw. In that situation, the following provisions shall
3 apply:

4 (A) The tenancy shall be continued on the same terms and conditions as
5 existed on the date of delivery to the Rent Board of the notice of intent to withdraw, subject to
6 any adjustments otherwise available under Administrative Code Chapter 37.

7 (B) No party shall be relieved of the duty to perform any obligation under
8 the lease or rental agreement.

9 (C) The owner may elect to extend the date of withdrawal on any other
10 units up to one year after date of delivery to the Rent Board of the Subsection (f)(1) notice of
11 intent to withdraw, subject to Subsections (f)(4)(A) and (B).

12 (D) Within 30 days of the notification by the tenant or lessee to the owner
13 of his or her entitlement to an extension of the date of withdrawal, the owner shall give written
14 notice to the Rent Board of the claim that the tenant or lessee is entitled to stay in their unit for
15 one year after the date of delivery to the Rent Board of the Subsection (f)(1) notice of intent to
16 withdraw.

17 (E) Within 90 days of the date of delivery to the Rent Board of the notice
18 of intent to withdraw, the owner shall give written notice to the Rent Board and the affected
19 tenant or lessee of the following:

20 (i) Whether or not the owner disputes the tenant's claim of
21 extension;

22 (ii) The new date of withdrawal under Section 37.9A(f)(4)(C), if the
23 owner does not dispute the tenant's claim of extension; and

24 (iii) Whether or not the owner elects to extend the date of
25 withdrawal to other units on the property.

26 (5) Within 15 days of delivery of a Subsection (f)(1) notice of intent to the Rent
27 Board, the owner shall provide notice to any tenant or lessee to be displaced of the following:

28 (A) That the Rent Board has been notified pursuant to Subsection (f)(1),

1 (B) That the notice to the Rent Board specified the name and the amount
2 of rent paid by the tenant or lessee as an occupant of the rental unit;

3 (C) The amount of rent the owner specified in the notice to the Rent
4 Board,

5 (D) The tenant's or lessee's rights to reoccupancy and to relocation
6 assistance under Subsections 37.9A(c) and (e); and,

7 (E) The rights of qualified elderly or disabled tenants as described under
8 Subsection (f)(4), to extend their tenancy to one year after the date of delivery to the Rent Board
9 of the Subsection (f)(1) notice of intent to withdraw.

10 (6) Within 30 days after the effective date of withdrawal of rental units under this
11 Section 37.9A, the Rent Board shall record a notice of constraints with the County Recorder
12 which describes the property and the dates of applicable restrictions on the property under this
13 Section.

14 (g) Successor Owners. The provisions of this Section 37.9A shall apply to the owner of a
15 rental unit at the time displacement of a tenant or tenants is initiated and to any successor in
16 interest of the owner, subject to the provisions of Chapter 12.75 of Division 7 of Title 1 of the
17 California Government Code (Sections 7060 et seq.).

18 (h) Reports Required.

19 (1) Not later than the last day of the third and sixth calendar months following the
20 month in which notice is given to the Board under Subsection(f)(1), and thereafter not later than
21 December 31st of each calendar year for a period of five years, beginning with the year in which
22 the six-month notice is given, the owner of any property which contains or formerly contained
23 one or more rental units which a tenant or tenants vacated pursuant to Section 37.9(a)(13) shall
24 notify the Board, in writing, under penalty of perjury, for each such unit:

25 (A) Whether the unit has been demolished;

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

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

28 (D) If it is in residential use, the date the tenancy began, the name of

1 the tenant(s), and the amount of rent charged.

2 If the unit has been demolished, and one or more new units constructed on the
3 lot, the owner shall furnish the information required by items (B), (C) and (D) for each new unit.
4 The Board shall maintain a record of the notices received under Subsection (f) and all notices
5 received under this Section for each unit subject to this reporting requirement.

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

10 (3) The Board shall maintain a register of all rental units withdrawn from rent or
11 lease under the Ellis Act and the rent applicable to each unit at the time of withdrawal. The
12 Board shall inform tenants displaced from units withdrawn from rent or lease at the address
13 provided by the tenant, when the owner notifies the Board that the unit or replacement unit will
14 again be offered for rent or lease within ten years of the date of withdrawal.

15 (4) The Board may investigate whether a rental unit that was withdrawn from rent
16 or lease has been again offered for rent or lease, and whether the owner has complied with the
17 provisions of this Section.

18 (i) This Section 37.9A is enacted principally to exercise specific authority provided for by
19 Chapter 12.75 of Division 7 of Title 1 of the California Government Code, originally enacted by
20 Stats. 1985, Ch. 1509, Section 1 (the Ellis Act, California Government Code Sections 7060 et
21 seq.). In the case of any amendment to Chapter 12.75 or any other provision of State law which
22 amendment is inconsistent with this Section, this Section shall be deemed to be amended to be
23 consistent with State law, and to the extent it cannot be so amended shall be interpreted to be
24 effective as previously adopted to the maximum extent possible.

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Sec. 37.9B Tenant Rights In Evictions Under Section 37.9(a)(8).

[Added by Ord. No. 293-98, effective November 1, 1998; amended by Ord. No. 57-02, effective June 2, 2002; amended by Proposition H, effective December 22, 2006]

(a) Any rental unit which a tenant vacates after receiving a notice to quit based on Section 37.9(a)(8), and which is subsequently no longer occupied as a principal residence by the landlord or the landlord's grandparent, parent, child, grandchild, brother, sister, or the landlord's spouse, or the spouses of such relations must, if offered for rent during the three-year period following service of the notice to quit under Section 37.9(a)(8), be rented in good faith at a rent not greater than that which would have been the rent had the tenant who had been required to vacate remained in continuous occupancy and the rental unit remained subject to this Chapter. If it is asserted that a rent increase could have taken place during the occupancy of the rental unit by the landlord if the rental unit had been subjected to this Chapter, the landlord shall bear the burden of proving that the rent could have been legally increased during that period. If it is asserted that the increase is based in whole or in part upon any grounds other than that set forth in Section 37.3(a)(1), the landlord must petition the Rent Board pursuant to the procedures of this Chapter. Displaced tenants shall be entitled to participate in and present evidence at any hearing held on such a petition. Tenants displaced pursuant to Section 37.9(a)(8) shall make all reasonable efforts to keep the Rent Board apprised of their current address. The Rent Board shall provide notice of any proceedings before the Rent Board to the displaced tenant at the last address provided by the tenant. No increase shall be allowed on account of any expense incurred in connection with the displacement of the tenant.

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

(c) In addition to complying with the requirements of Section 37.9(a)(8), an owner who endeavors to recover possession under Section 37.9(a)(8) shall inform the tenant of the following information in writing and file a copy with the Rent Board within 10 days after service of the notice to vacate, together with a copy of the notice to vacate and proof of service upon the

1 tenant;

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

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

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

8 (4) A description of all residential properties owned, in whole or in part, by the
9 landlord and, if applicable, a description of all residential properties owned, in whole or in part, by
10 the landlord's grandparent, parent, child, grandchild, brother, or sister for whom possession is
11 being sought;

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

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

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

17 (d) The landlord shall pay relocation expenses as provided in Section 37.9C.

18 (e) Within 30 days after the effective date of a written notice to vacate that is filed with
19 the Board under Section 37.9B(c) the Board shall record a notice of constraints with the County
20 Recorder identifying each unit on the property that is the subject of the Section 37.9B(c) notice to
21 vacate, stating the nature and dates of applicable restrictions under Section 37.9(a)(8) and
22 37.9B. If a notice of constraints is recorded but the tenant does not vacate the unit, the landlord
23 may apply to the Board for a rescission of the recorded notice of constraints.

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Sec. 37.9C Tenants Rights To Relocation For No-Fault Evictions.

[Added by Proposition H, effective December 22, 2006]

(a) Definitions.

(1) Covered No-Fault Eviction Notice. For purposes of this section 37.9C, a Covered No-Fault Eviction Notice shall mean a notice to quit based upon Section 37.9(a)(8), (10), (11), or (12).

(2) Eligible Tenant. For purposes of this section 37.9C, an Eligible Tenant shall mean any authorized occupant of a rental unit, regardless of age, who has resided in the unit for 12 or more months.

(b) Each Eligible Tenant who receives a Covered No-Fault Eviction Notice, in addition to all rights under any other provision of law, shall be entitled to receive relocation expenses from the landlord, in the amounts specified in section 37.9C(e).

(c) On or before the date of service of a Covered No-Fault Eviction Notice, the landlord shall notify all occupant(s) in the unit in writing of the right to receive payment under this section 37.9C and the amount of that relocation and shall provide a copy of section 37.9C. Such notification shall include a statement describing the additional relocation expenses available for Eligible Tenants who are senior or disabled and for households with children. The landlord shall file a copy of this notification with the Rent Board within 10 days after service of the notice, together with a copy of the notice to vacate and proof of service upon the tenant.

(d) A landlord who pays relocation expenses as required by this section in conjunction with a notice to quit need not pay relocation expenses with any further notices to quit based upon the same just cause under Section 37.9(a) for the same unit that are served within 180 days of the notice that included the required relocation payment. The relocation expenses contained herein are separate from any security or other refundable deposits as defined in California Code Section 1950.5. Further, payment or acceptance of relocation expenses shall not operate as a waiver of any rights a tenant may have under law.

(e) Relocation expenses shall be:

(1) Each Eligible Tenant receiving a Covered No-Fault Eviction Notice shall receive \$4,500, \$2,250 of which shall be paid at the time of the service of the notice to quit, and

1 \$2,250 of which shall be paid when the unit is vacated. In no case, however, shall the landlord
2 be obligated under this section 37.9C(e)(1) to provide more than \$13,500 in relocation expenses
3 to all Eligible Tenants in the same unit.

4 (2) In addition, each Eligible Tenant who is 60 years of age or older or who is
5 disabled within the meaning of Section 12955.3 of the California Government Code, and each
6 household with at least one Eligible Tenant and at least one child under the age of 18 years,
7 shall be entitled to receive an additional payment of \$3,000.00, \$1,500.00 of which shall be paid
8 within fifteen (15) calendar days of the landlord's receipt of written notice from the Eligible
9 Tenant of entitlement to the relocation payment along with supporting evidence, and \$1,500 of
10 which shall be paid when the Eligible Tenant vacates the unit. Within 30 days after notification to
11 the landlord of a claim of entitlement to additional relocation expenses because of disability, age,
12 or having children in the household, the landlord shall give written notice to the Rent Board of the
13 claim for additional relocation assistance and whether or not the landlord disputes the claim.

14 (3) Commencing March 1, 2007, these relocation expenses, including the
15 maximum relocation expenses per unit, shall increase annually, rounded to the nearest dollar, at
16 the rate of increase in the "rent of primary residence" expenditure category of the Consumer
17 Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-San Jose Region for
18 the preceding calendar year, as that data is made available by the United States Department of
19 Labor and published by the Board.

20 (f) The provisions of this Ordinance shall apply to all notices to quit served on or after
21 August 10, 2006.

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Sec. 37.10A Misdemeanors and Other Enforcement Provisions.

[Added by Ord. No. 20-84, effective February 18, 1984; amended by Ord. No. 293-98, effective November 1, 1998; Ord. No. 347-99, effective January 29, 2000; Ord. No. 57-02, effective June 2, 2002; revised by Baba v. CCSF (2004) 124 Cal.App. 4th 504; amended by Proposition B, approved on June 6, 2006]

(a) It shall be unlawful for a landlord to increase rent or rents in violation of the decision of an Administrative Law Judge or the decision of the board on appeal pursuant to the hearing and appeal procedures set forth in Section 37.8 of this chapter. It shall further be unlawful for a landlord to charge any rent which exceeds the limitations of this chapter. Any person who increases rents in violation of such decisions or who charges excessive rents shall be guilty of a misdemeanor.

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

(c) It shall be unlawful for a landlord or for any person who willfully assists a landlord to recover possession of a rental unit unless, prior to recovery of possession of the unit the landlord satisfies all requirements for recovery of the unit under Section 37.9(a) or (b).

(d) In any criminal or civil proceeding based on a violation of Section 37.10A(c), the landlord's failure to use a recovered unit for the Section 37.9(a) or (b) ground stated verbally or in writing to the tenant from whom the unit was recovered shall give rise to a presumption that the landlord did not have a good faith intention to recover the unit for the stated ground.

(e) If possession of a rental unit is recovered as the result of any written or verbal statement to the tenant that the landlord intends to recover the unit under one of the grounds enumerated in Section 37.9(a) or (b), the unit shall be subject to all restrictions set forth under this Chapter on units recovered for such stated purpose regardless of any agreement made between the landlord or the landlord's agent and the tenant who vacated the recovered unit. Any unit vacated by a tenant within 120 days after receiving any written or verbal statement from the landlord stating that the landlord intends to recover the unit under Section 37.9(a) or (b),

1 shall be rebuttably presumed to have been recovered by the landlord pursuant to the grounds
2 identified in that written or verbal statement.

3 (f) It shall be unlawful for a landlord to knowingly fail to disclose in writing to the buyer,
4 prior to entering into a contract for the sale of any property consisting of two or more residential
5 units, the specific legal ground(s) for the termination of the tenancy of each residential unit to be
6 delivered vacant at the close of escrow.

7 (g) It shall be unlawful for a landlord/owner, when offering a property for sale in the City
8 and County of San Francisco that includes two or more residential units, to knowingly fail to
9 disclose in writing to any prospective purchaser:

10 (1) The specific legal ground(s) for the termination of the tenancy of each
11 residential unit to be delivered vacant at the close of escrow; and,

12 (2) Whether the unit was occupied by an elderly or disabled tenant at the time the
13 tenancy was terminated. For purposes of this section 37.10A(i), "elderly" means a tenant defined
14 as elderly by San Francisco Administrative Code section 37.9(i)(1)(A), 37.9A(e)(1)(C),
15 37.9A(e)(2)(D), or 37.9A(e)(3)(C), or a tenant defined as "senior" by San Francisco Subdivision
16 Code section 1359(d). For purposes of this section 37.10A(i), "disabled" means a tenant defined
17 as disabled by San Francisco Administrative Code section 37.9(i)(1)(B)(i), 37.9A(e)(1)(C),
18 37.9A(e)(2)(D), or 37.9A(e)(3)(C), or by San Francisco Subdivision Code section 1359(d).

19 Any disclosure required by this Subsection (i) that is made on a flier or other
20 document describing the property which is made available to prospective purchasers at each
21 open house and at any tour through the property will constitute compliance with the disclosure
22 requirements of this Subsection (i).

23 (h) Any person who violates Section 37.10A(a),(b),(c) or (f) is guilty of a misdemeanor
24 and shall be punished by a mandatory fine of one thousand dollars (\$1,000.00), and in addition
25 to such fine may be punished by imprisonment in the County Jail for a period of not more than
26 six months. Each violation shall constitute a separate offense.

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Sec. 37.10B Tenant Harassment.

[Added by Proposition M, effective December 19, 2008]

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

(1) Interrupt, terminate or fail to provide housing services required by contract or by State, County or local housing, health or safety laws;

(2) Fail to perform repairs and maintenance required by contract or by State, County or local housing, health or safety laws;

(3) Fail to exercise due diligence in completing repairs and maintenance once undertaken or fail to follow appropriate industry repair, containment or remediation protocols designed to minimize exposure to noise, dust, lead, paint, mold, asbestos, or other building materials with potentially harmful health impacts;

(4) Abuse the landlord's right of access into a rental housing unit as that right is provided by law;

(5) Influence or attempt to influence a tenant to vacate a rental housing unit through fraud, intimidation or coercion;

(6) Attempt to coerce the tenant to vacate with offer(s) of payments to vacate which are accompanied with threats or intimidation;

(7) Continue to offer payments to vacate after tenant has notified the landlord in writing that they no longer wish to receive further offers of payments to vacate;

(8) Threaten the tenant, by word or gesture, with physical harm;

(9) Violate any law which prohibits discrimination based on actual or perceived race, gender, sexual preference, sexual orientation, ethnic background, nationality, place of birth, immigration or citizenship status, religion, age, parenthood, marriage, pregnancy, disability, AIDS or occupancy by a minor child;

(10) Interfere with a tenant's right to quiet use and enjoyment of a rental housing unit as that right is defined by California law;

(11) Refuse to accept or acknowledge receipt of a tenant's lawful rent payment;

(12) Refuse to cash a rent check for over 30 days;

1 (13) Interfere with a tenant's right to privacy;

2 (14) Request information that violates a tenant's right to privacy, including but not
3 limited to residence or citizenship status or social security number;

4 (15) Other repeated acts or omissions of such significance as to substantially
5 interfere with or disturb the comfort, repose, peace or quiet of any person lawfully entitled to
6 occupancy of such dwelling unit and that cause, are likely to cause, or are intended to cause any
7 person lawfully entitled to occupancy of a dwelling unit to vacate such dwelling unit or to
8 surrender or waive any rights in relation to such occupancy.

9 (b) Nothing in this Section 37.10B shall be construed as to prevent the lawful eviction of
10 a tenant by appropriate legal means.

11 (c) Enforcement and penalties.

12 (1) Rent Board. Violation of this Section 37.10B is a substantial and significant
13 decrease in services as defined in Section 37.2(g) and tenants may file a petition with the Rent
14 Board for a reduction in rent.

15 (2) Criminal Penalty. Any person who is convicted of violating this Section shall
16 be guilty of a misdemeanor and upon conviction shall be punished by a fine of not greater than
17 one thousand dollars or by imprisonment in the County Jail for not more than six months, or by
18 both such fine and imprisonment.

19 (3) Civil Action. Any person, including the City, may enforce the provisions of this
20 Section by means of a civil action. The burden of proof in such cases shall be preponderance of
21 the evidence. A violation of this Chapter may be asserted as an affirmative defense in an
22 unlawful detainer action.

23 (4) Injunction. Any person who commits an act, proposes to commit an act, or
24 engages in any pattern and practice which violates this Section 37.10B may be enjoined
25 therefrom by any court of competent jurisdiction. An action for injunction under this subsection
26 may be brought by an aggrieved person, by the City Attorney, or by any person or entity who will
27 fairly and adequately represent the interest of the protected class.

28 (5) Penalties and Other Monetary Awards. Any person who violates or aids or

1 incites another person to violate the provisions of this Section is liable for each and every such
2 offense for money damages of not less than three times actual damages suffered by an
3 aggrieved party (including damages for mental or emotional distress), or for statutory damages
4 in the sum of one thousand dollars, whichever is greater, and whatever other relief the court
5 deems appropriate. In the case of an award of damages for mental or emotional distress, said
6 award shall only be trebled if the trier of fact finds that the landlord acted in knowing violation of
7 or in reckless disregard of Section 37.9, 37.10A, or 37.10B herein. In addition, a prevailing
8 plaintiff shall be entitled to reasonable attorney's fees and costs pursuant to order of the court.
9 The trier of fact may also award punitive damages to any plaintiff, including the City, in a proper
10 case as defined by Civil Code Section 3294. The remedies available under this Section shall be
11 in addition to any other existing remedies which may be available to the tenant or the City.

12 (6) Defending Eviction Lawsuits. In any action to recover possession of a rental
13 unit subject to the Chapter, unless the sole basis of the notice to quit is Section 37.9(b), the court
14 shall award the tenant reasonable attorney fees and costs incurred in defending the action upon
15 a finding that the tenant is the prevailing party under Code of Civil Procedure Section 1032(a)(4).

16 (d) Severability. If any provision or clause of this Section 37.10B, or Section 37.2(g), or
17 the application thereof to any person or circumstance is held to be unconstitutional or to be
18 otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other
19 provisions of this Section 37.10B or Section 37.2(g) and all clauses of these Sections are
20 declared to be severable.

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23 **[Sec. 37.11: amended by Ord. No. 339-80, effective August 2, 1980; Ord. No. 362-80,
effective September 6, 1980; repealed by Ord. No. 20-84, effective February 18, 1984]**

Sec. 37.11A Civil Actions.

[Added by Ord. No. 20-84, effective February 18, 1984; amended by Ord. No. 162-93, effective June 28, 1993; Ord. No. 363-93, effective December 18, 1993; Ord. No. 293-98, effective November 1, 1998]

Whenever a landlord charges a tenant a rent which exceeds the limitations set forth in this Chapter, retaliates against a tenant for the exercise of any rights under this Chapter, or attempts to prevent a tenant from acquiring any rights under this Chapter, the tenant may institute a civil proceeding for money damages; provided, however, that any monetary award for rent overpayments resulting from a rent increase which is null and void pursuant to section 37.3(b)(5) shall be limited to a refund of rent overpayments made during the three-year period preceding the month of filing of the action, plus the period between the month of filing and the date of the court's order. In any case, calculation of rent overpayments and re-setting of the lawful base rent shall be based on a determination of the validity of all rent increases imposed since April 1, 1982, in accordance with Sections 37.3(b)(5) and 37.3(a)(2) above. The prevailing party in any civil action brought under this section 37.11A shall be entitled to recover reasonable attorneys' fees and costs. The remedy available under this section 37.11A shall be in addition to any other existing remedies which may be available to the tenant.

Sec. 37.12 Transitional Provision.

[Added by Proposition I, effective December 22, 1994; Section (c) added by Ord. No. 88-95, effective May 7, 1995]

This section is enacted in order to assure the smooth transition to coverage under this chapter of owner occupied buildings containing four units or less, as a result of the repeal of the exemption for owner-occupied units. The provisions of this section apply only to such units. The units are referred to as "newly covered units" in this section. The term "effective date of coverage" as used herein means the effective date of the repeal of the owner occupancy exemption.

(a) The initial base rent for all newly covered units shall be the rent that was in effect for the rental unit on May 1, 1994. If no rent was in effect for the newly covered unit on May 1, 1994, the initial base rent shall be the first rent in effect after that date.

(b) All rents paid after May 1, 1994, in excess of the initial base rent under Section 37.12(a), shall be refunded to the tenant no later than December 15, 1994. If the landlord fails to refund the excess rent by December 15, 1994, the tenant may deduct the amount of the refund from future rent payments, or bring a civil action under Section 37.11A, or exercise any other existing remedies. All tenants residing in newly covered units are entitled to this refund, even if the tenant vacated before the effective date of coverage of the newly covered units.

(c) As soon as practical after the effective date of coverage, the Board shall mail to the landlords of record of newly covered units a notice advising of the repeal of the exemption for owner-occupied buildings containing four units or less. The notice shall include information deemed appropriate by the Board to explain the requirements and effects of the change in the law. It shall be the responsibility of landlords to distribute a copy of said notice to all newly covered units within fifteen (15) days of the date the Board mails such notice to landlords. Distribution shall be by mail properly addressed to a tenant of the newly covered unit, or by personal delivery to a tenant of the newly covered unit, or by placing said notice under the door of the primary entrance to the newly covered unit.

1 **Sec. 37.13** **Keys.**

2 [Added by Ord. No. 34-04, effective April 19, 2004; amended by Ord. No. 66-05,
3 effective May 15, 2005]

4 (a) A landlord shall provide a minimum of one key or key-set per rental unit for each
5 adult occupant, without charge.

6 (b) Additional Keys/Key-Sets.

7 A tenant may request keys/key-sets in addition to those provided pursuant to Section
8 37.13(a) for his or her convenience. Requested additional keys/key sets must be provided within
9 fourteen (14) days of the tenant's written request stating the reason(s), unless the landlord timely
10 denies the request in writing as provided in Section 37.13(b)(2). Examples of tenant reasons for
11 receiving additional keys/key-sets include, but are not limited to: admitting a service provider,
12 delivery person, houseguest, or relative. All keys are issued for the duration of a tenancy, to be
13 returned upon vacating the unit.

14 (1) When providing requested additional keys/key-sets to a tenant, the landlord
15 may charge only for the documented cost of replicating the additional keys/key-sets, which cost
16 shall be paid by the tenant upon delivery of the requested additional keys/key-sets. Additional
17 keys/key-sets shall be provided without requiring any other costs, fees, deposits, or terms or
18 conditions of any kind whatsoever.

19 (2) The landlord may deny the request for additional keys/key-sets only for good
20 reason, such as unlawful occupancy in the tenant's unit or the tenant's pattern of lease violation.
21 Any landlord denial must be provided to the tenant in writing, stating specific reasons for the
22 denial, within fourteen (14) days of the written request.

23 (3) A tenant may file a petition with the Board to decide a disputed request for
24 additional keys/or key-sets which may constitute a substantial decrease in housing services,
25 and/or to decide a disagreement concerning landlord charges or deposits (Section 37.13(b)(1)).
26 A disputed request includes a failure to respond within fourteen days (Section 37.13(b)), a
27 disagreement concerning landlord terms and conditions (Section 37.13(b)(1)), and a denial
28 (Section 37.13(b)(2)).

(A) The Board through its Administrative Law Judges shall conduct a

1 hearing in order to decide the petition.

2 (B) The decision of the Administrative Law Judge shall be final unless the
3 Board vacates the decision on appeal.

4 (C) Either party may file an appeal of the Administrative Law Judge's
5 decision with the Board. Such appeals are governed by Section 37.8(f).

6 (4) Unreasonable denial of additional keys/key-sets requested under this Section
7 37.13(b), or failure to respond to the tenant's written request within fourteen days by providing
8 either the keys/key-sets or a written denial as provided by Section 37.13(b) and (b)(2), or
9 imposition of terms or conditions prohibited by Section 37.13(b)(1) constitutes a substantial
10 decrease in housing services, for which the Administrative Law Judge may order a
11 corresponding reduction in rent.

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1 **Sec. 37.14 Hearings and Remedies for Violation of Residential Hotel Visitor Policy**
2 **and Mailbox Ordinance.**

3 [Added by Ord. No. 62-02, effective June 2, 2002, numbered as Section 37.13;
4 re-numbered as Section 37.14 by Ord. No. 34-04, effective April 19, 2004;
5 amended by Ord. No. 73-06, effective May 20, 2006, by re-numbering Section
6 37.14 as 37.14A and adding 37.14B]

7 Section 37.14A.

8 (a) Upon receipt of a petition from a current or former occupant of a residential hotel
9 alleging violation of the provisions of Administrative Code Chapter 41D, including allegation of
10 violation of the Uniform Visitor Policy or any Supplemental Visitor Policy, the Board through its
11 Administrative Law Judges shall conduct a hearing in order to decide the petition. This decision
12 may require a determination as to whether a residential hotel's policies and procedures are
13 consistent with the Uniform Visitor Policy and any approved Supplemental Policies, and in
14 compliance with Administrative Code Chapter 41D.

15 (b) Upon an Administrative Law Judge's findings of fact and decision that the operator,
16 employee or agent of a residential hotel has violated the Uniform Visitor Policy or any approved
17 Supplemental Visitor Policy or any other provision of Chapter 41D, the Administrative Law Judge
18 may conclude that the occupant has suffered a diminution in housing services and order a
19 corresponding reduction in rent.

20 (c) The decision of the Administrative Law Judge shall be final unless the Board vacates
21 the decision on appeal.

22 (d) Either party may file an appeal of the Administrative Law Judge's decision with the
23 Board. Such appeals are governed by Section 37.8(f).

24 Section. 37.14B.

25 (a) Upon receipt of a petition from a current or former permanent resident of a residential
26 hotel alleging violation of the provisions of Administrative Code Chapter 41E, the Board through
27 its Administrative Law Judges shall conduct a hearing in order to decide the petition. This
28 decision may require a determination as to whether the petitioner is a permanent resident.

 (b) Upon an Administrative Law Judge's findings of fact and decision that the operator of
a residential hotel has violated the requirement to install a United States Postal Service-
approved mail receptacle for receipt of mail delivered by the United States Postal Service, the

1 Administrative Law Judge may conclude that the resident has suffered a diminution in housing
2 services and order a corresponding reduction in rent.

3 (c) The decision of the Administrative Law Judge shall be final unless the Board vacates
4 the decision on appeal.

5 (d) Either party may file an appeal of the Administrative Law Judge's decision with the
6 Board. Such appeals are governed by Section 37.8(f).

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Sec. 37.15 Severability.

[Amended by Ord. No. 172-80, effective May 2, 1980; Ord. No. 468-80, effective October 30, 1980; Ord. No. 509-81, effective November 18, 1981; Ord. No. 77-82, effective April 1, 1982; re-numbered as Section 37.12 by Ord. No. 20-84, effective February 18, 1984; re-numbered as Section 37.13 by Proposition I, effective December 22, 1994; re-numbered as Section 37.14 by Ord. No. 62-02, effective June 2, 2002; re-numbered as Section 37.15 by Ord. No. 34-04, effective April 19, 2004]

If any provision of clause of this chapter or the application thereof to any person or circumstance is held to be unconstitutional or to be otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other chapter provisions, and clauses of this chapter are declared to be severable.

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