

1 [Administrative Code Revision, Chapter 24A, Rent Supplement Program Administration]
 2 AMENDING ADMINISTRATIVE CODE CHAPTER 24A "ADMINISTRATIVE STRUCTURE
 3 LOCAL RENT SUPPLEMENT PROGRAM IN THE OFFICE OF MAYOR" BY AMENDING
 4 SECTIONS 24A.01 THROUGH 24A.21: TO REFLECT PRIOR CONVERSION OF "CITY
 5 ADMINISTRATIVE OFFICER" TO "CITY ADMINISTRATOR IN THE CHARTER AND
 6 CODES;" TO REFLECT PRIOR MUNICIPAL CODE CHANGES REGARDING FUNDING
 7 ALLOCATIONS UNDER BUSINESS AND TAX REGULATIONS CODE ARTICLE 7 ("TAX
 8 ON TRANSIENT OCCUPANCY OF HOTEL ROOMS"); TO USE THE HUD DEFINITION OF
 9 LOW INCOME HOUSEHOLDS; TO SET A MAXIMUM RENT SUPPLEMENT CONTRACT
 10 TERM OF 10 YEARS, WHICH CAN BE RENEWED; TO PROVIDE FOR
 11 DISCONTINUATION OF RENT SUPPLEMENT PAYMENTS WHEN 30 PERCENT OF A
 12 TENANT'S INCOME IS SUFFICIENT TO PAY THE FULL RENT PAYMENT (INCREASED
 13 FROM 25 PERCENT IN THE CURRENT CODE); TO REFLECT THE RELATIONSHIP OF
 14 THIS CHAPTER WITH FEDERAL AND STATE RELOCATION STATUTES AND
 15 REGULATIONS, AND WITH UNITED STATES DISTRICT COURT ORDERS AND
 16 AGREEMENTS IN CASE NO. C-69 324 SAW, AND TECHNICAL CHANGES INCLUDING
 17 RENUMBERING AS REQUIRED.

18

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

20

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

22

23 **Section 1.** Chapter 24A of the San Francisco Administrative Code "Administrative
 24 Structure Local Rent Supplement Program in the Office of Mayor" is hereby amended by
 25 amending Sections 24A.01 through 24A.21, to read as follows:

SUPERVISOR KAUFMAN, NEWSOM
 BOARD OF SUPERVISORS

1
2 **SEC. 24A.01. DEFINITIONS.** For the purposes of this Chapter, the following words
3 and phrases are defined to mean and include:

4 (a) “City” means City and County of San Francisco.

5 (b) “Mayor” means the Mayor of the City and County of San Francisco or ((an officer
6 of the office of the Mayor)) a designee empowered to exercise any of the functions of the
7 Mayor under this Chapter.

8 (c) “Owner” means the owner or lessee or designated operator of real property
9 containing standard housing located within the City and County of San Francisco.

10 (d) “Dilapidated housing” means a housing unit that does not provide safe and
11 adequate shelter; and in its present condition endangers the health, safety or well-being of the
12 occupants. Such a housing unit shall have one or more critical defects, or a combination of
13 intermediate defects in sufficient number or extent to require considerable repair or rebuilding.
14 Such defects may involve original construction, or they may result from continued neglect or
15 lack of repair or from serious damage to the structure.

16 (e) “Displaced by governmental action” means an individual or ((family)) household,
17 moved or to be moved from real property occupied as a dwelling unit as a result of activities in
18 connection with a public improvement or development program carried on by an agency of the
19 United States or any state or local governmental body or agency.

20 (f) “((Family)) Household” means two or more persons ((related by blood, marriage,
21 or operation of law,)) who occupy the same dwelling unit and share income and common
22 living expenses.

23 (g) “((Physically handicapped)) Disabled” means an individual who has a ((physical
24 impairment)) disability which:

25 (1) Is expected to be of long continued and indefinite duration;

1 (2) Substantially impedes his or her ability to live independently; and
2 (3) Is of such nature that his or her ability to live independently could be
3 improved by more suitable housing conditions.

4 (h) "Substandard housing" means a unit which is either dilapidated as defined in
5 Paragraph (d) of this Section, or does not have one of the following plumbing facilities:

6 (1) Hot and cold piped water inside the unit;

7 (2) Usable flush toilet inside the structure for the exclusive use of the
8 occupants of the unit; or

9 (3) Usable bathtub or shower inside the structure for the exclusive use of the
10 occupants of the unit.

11 (i) "Elderly" means an individual 62 years of age or over.

12 (j) "HUD" means the United States Department of Housing and Urban
13 Development.

14
15 **SEC. 24A.02. ((TRANSFER)) ALLOCATION OF FUNDS ((FROM CHIEF**
16 **ADMINISTRATIVE OFFICER)) TO MAYOR.** Pursuant to Section 515.01(b)(3) of ((Article 7,
17 Part III, of the)) San Francisco ((Municipal)) Business and Tax Regulation Code Article 7
18 ("Tax on Transient Occupancy of Hotel Rooms"), ((funds specifically allocated and set aside
19 to the Chief Administrative Officer for rent supplement programs shall be transferred by said
20 Chief Administrative Officer)) a portion of hotel tax revenues collected by the City are
21 allocated to the Office of Mayor for the local rent supplement program((,)) as provided ((for)) in
22 this Chapter.
23

24 **SEC. 24A.03. AUTHORITY OF MAYOR TO EXECUTE CONTRACTS.** The Mayor is
25 hereby authorized to contract with eligible housing owners to make local rent supplement

1 payments ((to facilitate temporary relocations of qualified tenants with respect to the Yerba
2 Buena Redevelopment Project, and to the extent necessary to comply with Federal District
3 Court consent order dated November 9, 1970, to facilitate the provisions of not less than
4 1,500 new or rehabilitated units of low-rent housing in the City and County of San Francisco)).
5 The Mayor is further authorized to lease and sublet properties, including individual standard
6 dwelling units, for utilization therein of local rent supplements and to enter into leases with the
7 San Francisco Redevelopment Agency or City ((and County)) sponsored nonprofit
8 corporations, which lease may contain a provision that the monthly rental payments not be in
9 amounts and for a time period less than the owner's debt service obligation against that
10 property. The Mayor may engage in these transactions in order to comply with federal or
11 state relocation requirements, or in order to comply with any court order regarding relocation
12 requirements, or as otherwise allowed by law.

13
14 **SEC. 24A.04. PROVIDING FOR ADMINISTRATION AND EXPENDITURES**
15 **RELATING THERETO.** The cost of administration ((shall not exceed 30 percent)) of the
16 allocation set aside pursuant to Section 515.01(b)(3)(E) ((, Article 7, Part III, of the)) of San
17 Francisco ((Municipal)) Business and Tax Regulation Code Article 7 ("Tax on Transient
18 Occupancy of Hotel Rooms"), shall not exceed 8 percent.

19
20 **SEC. 24A.05. SCOPE OF RENT SUPPLEMENT ASSISTANCE.** The Mayor may
21 enter into a rent supplement contract with ((the)) a qualified owner ((of specific types)) of
22 multifamily housing projects for payment of a portion of the rent on behalf of qualified tenants.
23 The conditions of eligibility for such a contract and its terms are specified in this ((Part))
24 Chapter.

1
2 **SEC. 24A.06. PROJECTS ELIGIBLE FOR BENEFITS AND AUTHORITY OF**
3 **MAYOR TO CONTRACT.**

4 (a) Rent supplement payments shall be available for furnished and unfurnished 0-
5 bedroom (studio) and 1-bedroom units renting for moderate amounts in connection with
6 multifamily projects which involve:

- 7 (1) New construction;
- 8 (2) Rehabilitation of existing structures;
- 9 (3) Existing standard dwelling units when ((approved by Federal District
10 Court or when)) utilized with respect to ((temporary)) relocations of eligible tenants; and
- 11 (4) The creation of standard units in structures previously containing
12 substandard units.

13 (b) The Mayor is authorized to make rent supplement payments with respect to
14 projects in which dwelling units do not contain kitchen facilities.

15 (c) The Mayor is authorized to make rent supplement payments with respect to
16 projects containing furnished dwelling units.

17 (d) The Mayor is authorized to make rent supplement payments with respect to
18 dwelling units concurrently receiving federal rent supplements under the ((National)) United
19 States Housing Act of 1937((, as amended)) (42 U.S.C. §§1437 et seq.).

20
21 **SEC. 24A.07. ELIGIBLE HOUSING OWNER.** To be eligible to receive rent
22 supplement payments, the owner of the multifamily project may be a nonprofit, limited
23 distribution, or a profit motivated entity. The project may be financed by, but not limited to, one
24 of the following ways:

- 25 (a) By a mortgage under any section of the ((National)) United States Housing Act((,

1 as amended, including but not limited to projects financially assisted under Section 236 of
2 such act)).

3 (b) By federal, state or local assistance through tax exemptions or credits if the
4 project is approved by the Mayor for receiving rent supplement payments.

5
6 **SEC. 24A.08. QUALIFIED TENANT.**

7 (a) The benefits of the rent supplement payments are available only to an individual or
8 a ((family)) household renting a dwelling unit in a project owned by an eligible housing owner.
9 To qualify for such benefits, the individual or ((family)) household shall meet the following
10 requirements:

11 (1) Have an annual income below the maximum amount established by the
12 Mayor, which amount shall not be higher than ((can be established in the area where the
13 property is located for occupancy in a low-rent public housing project assisted under the
14 United States Housing Act of 1937)) the maximum income for low-income households as
15 determined by HUD for the San Francisco Primary Metropolitan Statistical Area, adjusted for
16 household size. ((In computing a tenant's income for the purpose of this program, \$300 shall
17 be deducted for each minor person who is a member of the immediate family of the tenant
18 and residing with the tenant; and any earnings of such minor shall not be included in
19 computing the tenant's income.))

20 (2) Have assets not exceeding \$5,000 ~~in~~ in a case involving an elderly
21 individual or a ((family)) household whose head or spouse is elderly ((, have assets not
22 exceeding \$5,000.)); or, (((3) In a case involving other than the elderly,)) have assets not
23 exceeding \$2,000 in a case involving other than the elderly; and.

24 (((4))) (3) Be one of the following:

25 (A) An individual or ((family)) household displaced by governmental

1 action((.)); or,

2 (B) An individual who is 62 years of age or over; or ((physically
3 handicapped)) disabled((.)); or,

4 (C) An head of a ((family)) household who is or whose spouse is 62
5 years of age or over, or who is ((physically handicapped)) disabled; or,

6 (D) An occupant of substandard housing.

7 (b) For the purpose of this Section, income shall mean total annual income
8 consistent with policies and procedures utilized by ((the Department of Housing and Urban
9 Development)) HUD in administering the ((F))federal ((R))rent ((S))supplement ((P))program
10 in San Francisco pursuant to Section 8 of the United States Housing Act of 1937 (or pursuant
11 to any successor program). Total annual income shall mean total gross income, before taxes
12 and other deductions, received by all members of the tenant's household. In determining
13 gross income, there shall be included all wages, social security payments, retirement benefits,
14 military and veteran's disability payments, unemployment benefits, welfare benefits, interest
15 and dividend payments, and such other income items defined as total annual income by ((the
16 Department of Housing and Urban Development in its occupancy policies and procedures,))
17 HUD for its rent supplement((al)) program ((, which are incorporated hereby in reference as
18 though fully set forth)) (see, Title 24 Code of Federal Regulations, Sections 5601 et seq.).

19 (c) In computing household income for the purpose of this Section, the following
20 shall be observed:

21 (1) Any earnings of a household member less than 18 years of age shall be
22 excluded in computing the household income.

23 (2) The Mayor may allow special deductions from total gross income to take
24 into account expenses incurred as a result of disability or continuing illness, the cost of
25 necessary child care while a wage earner of the household is at work, and such other

1 deductions as he or she considers appropriate.

2 ((c)) (d) For the purpose of this Section, first priority for occupancy in a rent
3 supplemented unit shall be granted to qualified displacees from the Yerba Buena Center
4 Redevelopment Project, provided they make timely application.

5
6 **SEC. 24A.09. CERTIFICATE OF ELIGIBILITY.** ((a)) Upon request of a housing
7 owner, the Mayor will review for eligibility the application by a prospective tenant for rent
8 supplement payments. If the application meets the requirements of ((Sections 24A.08 and
9 24A.11)) this Chapter, the Mayor shall issue a certificate of eligibility. The certificate shall state
10 the amount of rent supplement to be paid monthly by the City ((and County)) to the housing
11 owner on behalf of the qualified tenant. The payment shown in the certificate shall not,
12 regardless of the tenant's household income, exceed 70 percent of the approved rent for the
13 unit. No certificate of eligibility shall be issued where the amount of rent supplement payment
14 would be less than 10 percent of such approved rent.

15
16 **SEC. 24A.10. TERM OF CONTRACT.** The rent supplement contract shall be limited
17 to not more than 10 ((days)) years from the date of the first payment made under the contract,
18 except as may otherwise be required by court order. The contract may be renewed subject to
19 the continued eligibility of the project and owner. ((Such contracts are to be extended for
20 additional periods with the consent of City and County's Controller, to comply with the Federal
21 District Court consent order dated November 9, 1970.))

22
23 **((SEC. 24A.11. MAXIMUM ANNUAL PROJECT PAYMENTS UNDER CONTRACT.**
24 The rent supplement contract shall state the maximum dollar amount of the rent supplement
25 payment for any one year, which maximum shall not exceed the amount sufficient, at the time

1 of contract execution to reduce rents in all of the units covered by the contract to an average
2 of \$60 per unit per month, plus a 10 percent contingency allowance.))

3
4 **SEC. ((24A.12)) 24A.11. MAXIMUM PAYMENTS UNDER CONTRACT FOR EACH**
5 **TENANT.**

6 ((a) Subject to the limitations of Section 24A.11 regarding maximum annual project
7 payments, t)) The rent supplement contract shall provide that the payment on behalf of a
8 qualified tenant shall be ((that amount by which)) the difference between the rent approved
9 by the Mayor for the unit and the greater of: (a.) ((exceeds 1/4)) 30 percent of the tenant's
10 household income; or (b.) ((exceeds)) any welfare allowance for housing if such allowance is
11 larger than ((1/4)) 30 percent of the tenant's household income; or (c.) ((exceeds)) the sum of
12 ((1/4)) 30 percent of the tenant's household income, plus any relocation assistance allowance
13 due him or her for housing. When such tenant's relocation assistance benefits expire, he or
14 she shall be assured a local rent supplement so long as he or she meets all income and other
15 eligibility criteria.

16 (((b) In computing tenant's income for the purpose of this Section, the following
17 deductions from total gross income shall be taken into consideration:

18 (1) \$300 shall be deducted for each minor person who is a member of the
19 immediate family of the tenant and residing with the tenant; and any earnings of such minor
20 shall not be included in computing the tenant's income.

21 (2) The Mayor may allow special deductions to take into account expenses
22 incurred as a result of physical disability or continuing illness, the cost of necessary child care
23 while a wage earner of the is at work and such other deductions as he or she considers
24 appropriate.))

1 **SEC. ((24A.13)) 24A.12. TIME OF PAYMENT UNDER CONTRACT.** The rent
2 supplement contract shall provide for payments to be made monthly to the housing owner on
3 behalf of qualified tenants in the amounts set forth in the certificates of eligibility.
4

5 **SEC. ((24A.14)) 24A.13. RECERTIFICATION OF INCOME UNDER CONTRACT.**
6 The rent supplement contract shall provide that a recertification of income shall be obtained
7 by the housing owner each year from the date the original certificate of eligibility was issued.
8 Provision shall be included for adjusting payments to reflect income changes shown by the
9 recertification.
10

11 **SEC. ((24A.15)) 24A.14. HARDSHIP CASES.** Where a tenant's household income
12 has decreased due to illness, loss of job, or other hardship beyond his or her control, the
13 Mayor may grant a temporary increase in rent supplement payments.
14

15 **SEC. ((24A.16)) 24A.15. TENANT OCCUPANCY LIMITATIONS.** Qualified tenants
16 shall not be permitted to occupy units larger than the Mayor determines necessary for their
17 needs.
18

19 **SEC. ((24A.17)) 24A.16. FORM OF LEASE.**

20 (a) **Lease form.** Qualified tenants shall be required to execute a lease in a form
21 approved by the Mayor.

22 (b) **Special lease provisions.** The lease shall contain the following special
23 provisions:

24 (1) A provision obligating the tenant to report immediately to the housing
25 owner any increase in household income which results in a monthly income ((of four or more

1 times)) 30 percent of which is greater than the full monthly rental for the housing unit.

2 (2) A provision obligating the tenant to reimburse the Mayor for any rent
3 supplement payments made by the Mayor during a period when the tenant's household
4 income had increased to a point where rent supplement payments should have been
5 terminated but were not terminated because of the tenant's failure to report the increase to the
6 housing owner.

7
8 **SEC. ((24A.18)) 24A.17. HOUSING OWNER'S OBLIGATION UNDER CONTRACT**
9 **TO REPORT TENANT INCOME INCREASE.**

10 (a) The rent supplement contract shall contain a provision obligating the housing owner
11 to immediately notify the Mayor upon receiving a report from a tenant of an increase in the
12 tenant's household income, resulting in a monthly income ((of four or more times)) 30 percent
13 of which is greater than the full monthly rental for the housing unit. The contract shall also
14 obligate the housing owner, upon failing to notify the Mayor when a report of such increase in
15 income is received from a tenant, to reimburse the Mayor for any rent supplement payments
16 made during the period when the tenant is receiving the increased income.

17 (b) In selecting qualified tenants to occupy a local rent supplement unit, the owner
18 shall agree to grant a first priority for occupancy to households displaced by the Yerba Buena
19 Center Redevelopment Project, provided such potential tenants make timely application for
20 admission.

21
22 **SEC. ((24A.19)) 24A.18. CHANGE IN TENANT INCOME STATUS.** Appropriate
23 adjustments ((will)) shall be made in rent supplement payments to reflect household income
24 changes shown by the annual tenant income recertification. Rent supplement payments
25 ((will)) shall be discontinued when it is determined ((by the Mayor)) that ((25)) 30 percent of

1 the tenant's household income is sufficient to pay the full amount of the rent for the unit
2 occupied by the tenant. Where a tenant is no longer entitled to rent supplement payments, he
3 or she may continue to occupy the unit provided he or she pays the full amount of the rent.
4

5 **SEC. ((24A.20)) 24A.19. RULES AND REGULATIONS BY MAYOR.** The Mayor is
6 hereby authorized to adopt rules and regulations supplemental to this Chapter and not in
7 conflict therewith, said rules and regulations to become effective 10 days after the Mayor
8 causes their publication in a newspaper of general circulation within the City and County of
9 San Francisco.

10
11 **SEC. 24A.20. RELATIONSHIP TO OTHER RELOCATION LAWS AND**
12 **REGULATIONS.** This Chapter is intended to implement and supplement certain provisions of
13 the California Relocation Assistance Act and its accompanying regulations (California
14 Government Code Sections 7262, et seq.; and, California Code of Regulations Title 25
15 Sections 6000 et seq.); and certain provisions of the related Federal Uniform Relocation
16 Assistance Act and its accompanying regulations (42 U.S.C. Sections 4600, et seq.; and, 49
17 CFR 24, et seq.), subject to the following:

18 (a) In the event any provision of this Chapter conflicts with any provision of the
19 applicable State or Federal statutory or regulatory provisions, those State or Federal statutes
20 or regulatory provisions shall apply.

21 (b) Where the provisions of this Chapter provide non-conflicting but different or
22 additional rights, responsibilities, or benefits, the provisions of this Chapter shall prevail.

23 (c) Where a person or household is eligible for rights, responsibilities, or benefits
24 pursuant to Court order(s) of the United States District Court, Northern District of California, in
25 Case No. C-69 324 SAW (Tenants and Owners in Opposition to Redevelopment ["TOOR"], et

1 al. v. United States Department of Housing and Urban Development, and the San Francisco
2 Redevelopment Agency), including the Agreement between the parties originally dated May
3 15, 1973 and amended from time to time, said person or household may alternatively utilize
4 the provisions of that order. (Also see, 406 F.Supp. 1024, and 406 F.Supp. 1060.)

5
6 **SEC. 24A.21. SEVERABILITY.** If any section, subsection, subdivision, paragraph,
7 sentence, clause or phrase of this Chapter or any part thereof is, for any reason, held to be
8 unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision
9 shall not affect the validity or effectiveness of the remaining portions of this Chapter or any
10 part thereof. The Board of Supervisors hereby declares that it would have passed each
11 section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of
12 the fact that any one or more section, subsections, subdivisions, paragraphs, sentences,
13 clauses or phrases be declared unconstitutional or invalid or ineffective.

14
15
16 APPROVED AS TO FORM:

17 LOUISE H. RENNE, City Attorney

18
19 By:


20 MARIE CORLETT BLITS
21 Deputy City Attorney

22
23
24
25
SUPERVISOR KAUFMAN
BOARD OF SUPERVISORS

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7/11/00



City and County of San Francisco

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

Tails

Ordinance

File Number: 001309

Date Passed:

Ordinance amending Administrative Code Chapter 24A "Administrative Structure Local Rent Supplement Program in the Office of the Mayor" by amending Sections 24A.01 through 24A.21: to reflect prior conversion of "City Administrative Officer" to "City Administrator in the Charter and Codes"; to reflect prior Municipal Code changes regarding funding allocations under Business and Tax Regulations Code Article 7 ("Tax on Transient Occupancy of Hotel Rooms"); to use the HUD definition of low income households; to set a maximum rent supplement contract term of 10 years, which can be renewed; to provide for discontinuation of rent supplement payments when 30 percent of a tenant's income is sufficient to pay the full rent payment (increased from 25 percent in the current code); to reflect the relationship of this Chapter with Federal and State relocation statutes and regulations, and with United States District Court orders and agreements in Case No. C-69 324 SAW, and technical changes including renumbering as required.

October 10, 2000 Board of Supervisors — PASSED, ON FIRST READING

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

Absent: 1 - Katz

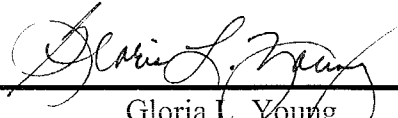
October 16, 2000 Board of Supervisors — FINALLY PASSED

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

Absent: 1 - Katz

File No. 001309


I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on October 16, 2000
by the Board of Supervisors of the City and
County of San Francisco.



Gloria L. Young
Clerk of the Board

OCT 27 2000

Date Approved



Mayor Willie L. Brown Jr.