AMENDING ADMINISTRATIVE CODE CHAPTER 24A "ADMINISTRATIVE STRUCTURE
LOCAL RENT SUPPLEMENT PROGRAM IN THE OFFICE OF 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.

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

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

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

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

(a) "City" means City and County of San Francisco.

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

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

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

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

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

(g) "((Physically handicapped)) Disabled" means an individual who has a ((physical impairment)) disability which:

(1) Is expected to be of long continued and indefinite duration;
Substantially impedes his or her ability to live independently; and

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

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

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

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

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

(i) “Elderly” means an individual 62 years of age or over.

(j) “HUD” means the United States Department of Housing and Urban Development.

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

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

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payments (to facilitate temporary relocations of qualified tenants with respect to the Yerba Buena Redevelopment Project, and to the extent necessary to comply with Federal District Court consent order dated November 9, 1970, to facilitate the provisions of not less than 1,500 new or rehabilitated units of low-rent housing in the City and County of San Francisco)).

The Mayor is further authorized to lease and sublet properties, including individual standard dwelling units, for utilization therein of local rent supplements and to enter into leases with the San Francisco Redevelopment Agency or City (and County) sponsored nonprofit corporations, which lease may contain a provision that the monthly rental payments not be in amounts and for a time period less than the owner's debt service obligation against that property. The Mayor may engage in these transactions in order to comply with federal or state relocation requirements, or in order to comply with any court order regarding relocation requirements, or as otherwise allowed by law.

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

SEC. 24A.05. SCOPE OF RENT SUPPLEMENT ASSISTANCE. The Mayor may enter into a rent supplement contract with (the) a qualified owner (of specific types) of multifamily housing projects for payment of a portion of the rent on behalf of qualified tenants. The conditions of eligibility for such a contract and its terms are specified in this (Part) Chapter.
SEC. 24A.06. PROJECTS ELIGIBLE FOR BENEFITS AND AUTHORITY OF MAYOR TO CONTRACT.

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

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

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

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

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

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

(a) By a mortgage under any section of the ((National)) United States Housing Act((,
as amended, including but not limited to projects financially assisted under Section 236 of such act).

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

SEC. 24A.08. QUALIFIED TENANT.

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

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

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

(4) Be one of the following:

(A) An individual or household displaced by governmental
(B) An individual who is 62 years of age or over; or ((physically handicapped)) disabled (\(\)), or,

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

(D) An occupant of substandard housing.

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

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

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

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

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deductions as he or she considers appropriate.

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

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

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

((SEC. 24A.11. MAXIMUM ANNUAL PROJECT PAYMENTS UNDER CONTRACT.)
The rent supplement contract shall state the maximum dollar amount of the rent supplement
payment for any one year, which maximum shall not exceed the amount sufficient, at the time
of contract execution to reduce rents in all of the units covered by the contract to an average
of $60 per unit per month, plus a 10 percent contingency allowance.))

SEC. ((24A.12)) 24A.11. MAXIMUM PAYMENTS UNDER CONTRACT FOR EACH
TENANT.

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

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

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

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

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

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

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

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

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

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

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

(1) A provision obligating the tenant to report immediately to the housing owner any increase in household income which results in a monthly income (of four or more
times)) 30 percent of which is greater than the full monthly rental for the housing unit.

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

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

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

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

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

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

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

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

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

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

(c) Where a person or household is eligible for rights, responsibilities, or benefits pursuant to Court order(s) of the United States District Court, Northern District of California, in Case No. C-69 324 SAW (Tenants and Owners in Opposition to Redevelopment "TOOR"), et
al. v. United States Department of Housing and Urban Development, and the San Francisco
Redevelopment Agency), including the Agreement between the parties originally dated May
15, 1973 and amended from time to time, said person or household may alternatively utilize
the provisions of that order. (Also see, 406 F.Supp. 1024, and 406 F.Supp. 1060.)

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

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By: MARIE CORLETT BLITS
Deputy City Attorney

SUPERVISOR KAUFMAN
BOARD OF SUPERVISORS
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.