[Increasing the Annual Residential Rent Ordinance Fee to a maximum of $27.00 per unit.]

Ordinance amending Administrative Code Chapter 37A "Residential Rent Stabilization and Arbitration Fee" by amending Sections 37A.2 and 37A.6 to increase the maximum annual residential rent ordinance fee from $19 per unit in fiscal year 2000-2001 or $16 per unit in other years, to $27 per unit, and requiring the amount of the increase to be paid in equal halves by the owner(s) and tenant(s) of each residential unit; this increase will sunset in two years.

Note: Additions are _single-underline italics_ Times New Roman font; deletions are _strikethrough italics_ Times New Roman font. Board amendment additions are _double underlined_ Arial font; Board amendment deletions are _strikethrough_ Arial font.

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

Section 1. The San Francisco Administrative Code is hereby amended by amending Section 37A.2, to read as follows:

SEC. 37A.2. FINDINGS.

The Board of Supervisors hereby finds:

(a) In Section 37.1 of this Code, the Board of Supervisors found that there was a shortage of decent, safe and sanitary housing in the City and County of San Francisco resulting in a critically low vacancy factor. The Board further found that rent regulation was necessary in order to alleviate the ill effects of the City's housing shortage to meet the need for affordable housing, and to advance the City's housing policies. The Board now hereby
finds that this housing shortage still persists and that rent regulation continues to be a
necessary and effective means of mitigating this condition.

(b) By Ordinance No. 276-79, adopted June 12, 1979, the Board of Supervisors
enacted the Residential Rent Stabilization and Arbitration Ordinance ("Rent Ordinance,"
Chapter 37, San Francisco Administrative Code) to regulate residential rents in San
Francisco. The Ordinance created the Residential Rent Stabilization and Arbitration Board
("Rent Board," Sections 37.1(a), (b) and 37.4) to administer and enforce the Rent Ordinance
and thereby safeguard tenants from excessive increases while at the same time assure
landlords fair and adequate rents. The Rent Board benefits both landlords and tenants by
providing for the orderly and efficient administration of the Rent Ordinance and by protecting
tenants from unreasonable rent increases and displacement while assuring that landlords
receive fair rents consistent with the Ordinance.

(c) It is fair and reasonable that the costs of administering and enforcing the Rent
Ordinance through the Rent Board should be equitably distributed among the City's residential
units.

Therefore, the Board finds that the owner of each residential unit as defined in Section
37A.1 above shall be required to pay an annual Rent Stabilization and Arbitration fee for each
unit.

(d) The fee for each residential unit shall equal the projected annual cost of funding
the Rent Board plus related administrative costs pursuant to Section 10.194 of this Code
including, but not limited to, the Tax Collector and Controller, divided by the total number of
residential units estimated to pay the fee minus any balance remaining in the fund set forth in
Section 10.117-88 of this Code; provided, however, that in calculating the fee, the Controller
shall round up any fraction of a dollar to the next whole dollar; provided further, however, that
the fee shall in no event exceed $16.00 $27.00 per residential unit, except that for fiscal year

RESIDENTIAL RENT STABILIZATION AND ARBITRATION BOARD
BOARD OF SUPERVISORS
2000-2001 only the fee shall in no event exceed $19.00. For the purposes of this calculation, a guest room shall be counted as one-half of a residential unit and shall be charged half the fee. The Assessor and the Director of the Department of Building Inspection shall release to the Information Services Division (ISD) of the Department of Telecommunications and Information Services (DTIS) by June 1st information necessary for compilation of the billing list. The Controller shall compile the list, determine the total number of residential units and calculate the fee by July 31st. The fee shall be recalculated on July 31st each year.

(e) The fee herein is for regulatory purposes only. It is not designed or intended for revenue purposes. Any surplus collected in a given year will reduce the fee in the next fiscal year.

(f) The increase in the fee set forth in subsection (d) and the landlord's right to recover up to that amount from tenants, as set forth in Section 37A.6(a), shall sunset two years from the effective date of the ordinance authorizing such increase. After the provisions of Section 37A.2 and 37A.6 authorizing the fee increase sunset, the City Attorney may amend those sections to reinstate the $16.00 fee and the landlord's right to recover up to the full amount of that fee from the tenants.

Section 2. The San Francisco Administrative Code is hereby amended by amending Section 37A.6, to read as follows:

SEC. 37A.6. RECOVERY OF THE FEE, LIMITATIONS.

The owner may seek recovery of the fee from the tenant(s) in occupancy of each residential unit on November 1st, up to a maximum of $16.00 $27.00 $21.50 per unit, as follows:

(a) An owner seeking recovery of the fee shall deduct it from the next interest payment owed on the tenant's security deposit pursuant to Chapter 49 of this Code, except
that where the interest has been paid annually the owner may bill the tenant directly as
provided in subsection 37A.6(c); or

(b) When the fee is not collected during the year in which the owner is first entitled
to it, the owner may bank the fee and collect it in a future year. Only those fees that become
due after the effective date of this Ordinance may be banked. A banked fee may only be
collected as a deduction against security deposit interest due the tenant, except that where no
interest or insufficient interest exists (due to no deposit or low amount of deposit) the owner
may bill for any balance owing as provided in subsection 37A.6(c). The billing statement must
specifically show the fee amount owed by the tenant for each year, and the amount of interest
due the tenant (if any) for each year owing.

(c) To the extent provided in subsections 37A.6(a) and (b), the owner may bill the
tenant directly for the fee. The bill shall state the amount for that unit, that the purpose of the
fee is to fund the Rent Board and related administrative costs under Chapter 37A of the San
Francisco Administrative Code, and that the fee is due and payable within 30 days of the date
of the bill.

The owner remains liable for full payment of the fee to the Tax Collector whether or not
the owner seeks any recovery under one of the above methods or in fact does recover any
portion from the tenant.

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

By:
K. SCOTT DICKEY
Deputy City Attorney
Ordinance amending Administrative Code Chapter 37A "Residential Rent Stabilization and Arbitration Fee" by amending Sections 37A.2 and 37A.6 to increase the maximum annual residential rent ordinance fee from $19 per unit in fiscal year 2000-2001 or $16 per unit in other years, to $27.00 per unit; and requiring the amount of the increase to be paid in equal halves by the owner(s) and tenant(s) of each residential unit; this increase will sunset in two years.

July 1, 2002  Board of Supervisors — CONTINUED ON FIRST READING
Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee

July 8, 2002  Board of Supervisors — PASSED ON FIRST READING
Ayes: 9 - Ammiano, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Yee
Noes: 2 - Daly, Sandoval

July 15, 2002  Board of Supervisors — FINALLY PASSED
Ayes: 8 - Ammiano, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Yee
Noes: 3 - Daly, Gonzalez, Sandoval
I hereby certify that the foregoing Ordinance was FINALLY PASSED on July 15, 2002 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young  
Clerk of the Board

Date Approved

Mayor Willie L. Brown Jr.