[Renaming Hearing Officers as Administrative Law Judges]

AMENDING CHAPTER 37 OF THE SAN FRANCISCO ADMINISTRATIVE CODE
("RESIDENTIAL RENT STABILIZATION AND ARBITRATION ORDINANCE") TO
REFLECT THE CIVIL SERVICE RECLASSIFICATION OF HEARING OFFICERS AS
ADMINISTRATIVE LAW JUDGES, BY AMENDING ALL REFERENCES TO "HEARING
OFFICER(S)" IN §§37.2, 37.3, 37.5, 37.6, 37.7, 37.8, 37.8A, 37.8B, 37.9, AND 37.10, TO BE
REFERENCES TO "ADMINISTRATIVE LAW JUDGE(S)."

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

SEC. 37.2. DEFINITIONS. (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 below or utility passthroughs or general obligation passthroughs pursuant to Section 37.2(q) below. 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 City Administrator's amortization of an RAP loan in an area designated on or after July 1, 1977, shall not be

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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 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 tenant shall be the rent payable for that unit under the Housing Assistance Payments contract, as amended, between the San Francisco Housing Authority and the landlord (the “HAP contract”) with respect to that unit immediately prior to the effective date of this ordinance (the “HAP contract rent”).

(ii) For any tenant receiving tenant-based rental assistance (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 commencing occupancy of a rental unit following the effective date of this ordinance, the base rent for each unit occupied by such a tenant shall be the HAP contract rent in effect as of the date the tenant commences occupancy of such unit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(v) Utilities. The term “utilities” shall refer to gas and electricity exclusively.

SEC. 37.3. RENT LIMITATIONS. (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 1st 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 percent of said published increase. In no event, however, shall the
allowable annual increase be greater than seven percent.

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

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

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

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

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

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

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

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

(B) This percentage shall be multiplied by the total amount of the net taxable value for the applicable tax year. The result is the dollar amount of property taxes for that tax year for a particular property attributable to the repayment of general obligation bonds approved by the voters between November 1, 1996, and November 30, 1998.
(C) The dollar amount calculated under Subsection (B) shall be divided by the total number of all units in each property, including commercial units. That figure shall be divided by 12 months, to determine the monthly per unit costs for that tax year of the repayment of general obligation bonds approved by the voters between November 1, 1996, and November 30, 1998.

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

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

(F) Landlords must provide to tenants, at least 30 days prior to the imposition of the passthrough permitted under this Subsection (6), a copy of the completed form described in Subsection (E). This completed form shall be provided in addition to the Notice of Rent Increase required under Section 37.3(b)(5). A tenants may petition for a hearing under the procedure described in Section 37.8 where the tenant alleges that a landlord has imposed a
charge which exceeds the limitations set forth in this Subsection (6). In such a hearing, the 
burden of proof shall be on the landlord. Tenant petitions regarding this passthrough must be 
filed within one year of the effective date of the passthrough.

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

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

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

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

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

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

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

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

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

(B) If the tenant's share of the base rent is calculated as 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, the rent increase limitations in Section 37.3(a)(1) and (2) shall not apply. In such circumstances, adjustments in rent shall be made solely according to the requirements of the tenant-based rental assistance program.

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

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

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

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

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

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

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

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

(1) When lead hazards, which have been remediated or abated pursuant to San Francisco Health Code Article 26, are also violations of State or local housing health and safety laws, the costs of such work shall not be passed through to tenants as either a capital improvement or an operating and maintenance expense if the ((hearing officer)) **Administrative Law Judge** finds that the deferred maintenance, as defined herein, of the current or previous landlord caused or contributed to the existence of the violation of law.
(2) In any unit occupied by a lead-poisoned child and in which there exists a lead
hazard, as defined in San Francisco Health Code Article 26, there shall be a rebuttable
presumption that violations of State or local housing health and safety laws caused or created
by deferred maintenance, caused or contributed to the presence of the lead hazards. If the
landlord fails to rebut the presumption, that portion of the petition seeking a rent increase for
the costs of lead hazard remediation or abatement shall be denied. If the presumption is
rebutted, the landlord shall be entitled to a rent increase if otherwise justified by the standards
set forth in this Chapter.

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

SEC. 37.5. MEETINGS OF THE BOARD. (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 15 days of the appointment of the first Board. The
matter of establishing standards for the selection of ((hearing officers)) 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.

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

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

(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 administer oaths and affirmations in connection with such hearings;

(d) Publish, on March 1st 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 biannually 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). Said statistics shall be published in a report on March 1st every year, and copies of the report shall be submitted to the Mayor and Board of Supervisors;

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

SEC. 37.7. CERTIFICATION OF RENTAL INCREASES FOR CAPITAL IMPROVEMENTS, REHABILITATION WORK AND ENERGY CONSERVATION MEASURES. (a) Authority. In accordance with such guidelines as the Board shall establish, the Board and designated ((hearing officers)) Administrative Law Judges shall have the authority to conduct hearings in order to certify rental increases to the extent necessary to amortize the cost of capital improvements, rehabilitations, and energy conservation measures. Costs determined to be attributable to such work shall be amortized over a period which is fair and reasonable for the type and the extent of the work and which will provide an incentive to
landlords to maintain, improve and renovate their properties while at the same time protecting tenants from excessive rent increases. Costs attributable to routine repair and maintenance shall not be certified.

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

1. The landlord completed capital improvements or rehabilitation on or after April 15, 1979, or the landlord completed installation of energy conservation measures on or after July 24, 1982, and has filed a proof of compliance with the Bureau of Building Inspection in accordance with the requirements of Section 1207(d) of the Housing Code;
2. The landlord has not yet increased the rent or rents to reflect the cost of said work;
3. The landlord has not been compensated for the work by insurance proceeds;
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 years after the work has been completed.

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

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

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

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

(f) Application Procedures.

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

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

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

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

(g) Certification Hearings.

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

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

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

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

(A) The application and its supporting documentation.

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

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

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

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

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

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

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

SEC. 37.8. ARBITRATION OF RENTAL INCREASE ADJUSTMENTS. (a) Authority
of Board and ((Hearing Officers)) Administrative Law Judges. In accordance with such
guidelines as the Board shall establish, the Board and designated ((hearing officers))
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.

(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 or bond measure costs passed through to the tenant and/or imposed a
nonconforming rent increase which is null and void. The burden of proof is on the tenant.

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

(c) Procedure for Landlord Petitioners.

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

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

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

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

(d) Procedure for Tenant Petitioners.

(1) Filing; Limitation. The request for arbitration must be filed on a petition form prescribed by the Board and must be accompanied by such supporting material as the Board shall prescribe, including but not limited to, a copy of the landlord's notice of rent increase. If the tenant petitioner has received certification findings regarding his rental unit in accordance with Section 37.7, such findings must accompany the petition. If the tenant petitioner has
received a notification from the Chief Administrative Officer with respect to base rent and amortization of a RAP loan, such notification must accompany the petition. Tenant petitions regarding the gas and electricity passthrough must be filed within one year of the effective date of the pass-through or within one year of the date the passthrough was required to be recalculated pursuant to rules and regulations promulgated by the Board. Tenant petitions regarding the bond passthrough described in Section 37.3(a)(6) must be filed within one year of the effective date of the passthrough.

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

(e) Hearings.

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

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

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

(4) Determination of the ((Hearing Officer)) Administrative Law Judge: Rental Units. Based upon the evidence presented at the hearing and upon such relevant factors as the Board shall determine, the ((hearing officer)) Administrative Law Judge shall make findings as to whether or not the landlord's proposed rental increase exceeding the limitations...
set forth in Section 37.3 is justified or whether or not the landlord has effected a rent increase through a reduction in services or has failed to perform ordinary repair and maintenance as required by State or local law; and provided further that, where a landlord has imposed a passthrough for property taxes pursuant to Section 37.3(6)(D), the same increase in property taxes shall not be included in the calculation of increased operating and maintenance expenses pursuant to this Subsection (4). In making such findings, the Administrative Law Judge shall take into consideration the following factors:

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

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

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

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

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

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

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

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

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overpayments resulting from rent increases which are null and void for no more than the
three-year period preceding the month of the filing of a landlord or tenant petition, plus the
period between the month of filing and the date of the ((hearing officer's)) Administrative Law
Judge's decision. 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.

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

Appeals.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Order of the Administrative Law Judge. Based upon all criteria set forth in Sections 37.7(4) and 37.8(e)(4) governing the petition, the Administrative Law Judge shall make a written order no later than 10 days after the hearing. The Administrative Law Judge shall make no findings of fact. The Administrative Law Judge shall order payment or refund of amounts owing to a party or parties, if amounts are owed, within a period of time not to exceed 45 days.
(5) Stay of Order. The Administrative Law Judge's order shall be stayed for 15 days from the date of issuance. During this period, either party may lodge a written objection to the order with the Board. If the Board receives such objection within this period, the order is automatically dissolved and the petitioning party may refile the petition for hearing under any other appropriate hearing procedure set forth in this chapter.

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

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

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

(b) Amortization and Cost Allocation; Interest. Costs shall be equally allocated to each unit and amortized over a 10-year period or the life of any loan acquired for the capital improvements, whichever is longer. Interest shall be limited to the actual interest rate charged on the loan and in no event shall exceed 10 percent per year.
(c) **Eligible Items; Costs.** Only those items required in order to comply with Building Code Chapters 14 and 15 may be certified. The allowable cost of such items may not exceed the costs set forth in the Mayor's Office of Economic Planning and Development's publication of estimated cost ranges for bolts plus retrofitting by building prototype and/or categories of eligible construction activities.

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

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

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

   (A) The application and its supporting documentation;

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

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

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

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

3. **Findings of Fact; Effect of Decision.** The ((hearing officer)) Administrative Law Judge shall make findings as to whether or not the proposed rent increases are justified based upon the following considerations:

   (A) The application and its supporting documentation;

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

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

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

   (E) Any other such relevant factors as the Board shall specify in rules and regulations.
Law Judge shall make written findings of fact, copies of which shall be mailed within 21 days of the hearing. The decision of the ((hearing officer)) Administrative Law Judge is final unless the Board vacates it on appeal.

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

(1) Time of Appeal Hearing; Notice to Parties; Record; Conduct of Hearing.

The appeal procedures of Section 37.8(f)(5), (f)(6), (f)(7), (f)(8) and (f)(9) apply; provided, however, that the Board's decision shall be rendered within 20 days of the hearing.

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

SEC. 37.9. EVICTIONS. 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 has failed to pay the rent to which the landlord is lawfully entitled under the oral or written agreement between the tenant and landlord or habitually pays the rent late or gives checks which are frequently returned because there are insufficient funds in the checking account; or

(2) The tenant has violated a lawful obligation or covenant of tenancy other than the obligation to surrender possession upon proper notice and failure to cure such violation after having received written notice thereof from the landlord, provided further that notwithstanding any lease provision to the contrary, a landlord shall not endeavor to recover possession of a rental unit as a result of subletting of the rental unit by the tenant if the landlord has
unreasonably withheld the right to sublet following a written request by the tenant, so long as
the tenant continues to reside in the rental unit and the sublet constitutes a one-for-one
replacement of the departing tenant(s). If the landlord fails to respond to the tenant in writing
within fourteen (14) days of receipt of the tenant's written request, the tenant's request shall
be deemed approved by the landlord; or

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

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

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

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

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

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

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

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

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

(iv) A landlord may not recover possession under this Section 37.9(a)(8) if a comparable unit owned by the landlord is already vacant and is available, or if such a unit becomes vacant and available before the recovery of possession of the unit. If a comparable unit does become vacant and available before the recovery of possession, the landlord shall rescind the notice to vacate and dismiss any action filed to recover possession of the premises. Provided further, if a noncomparable unit becomes available before the recovery of possession, the landlord shall offer that unit to the tenant at a rent based on the rent that the
tenant is paying, with upward or downward adjustments allowed based upon the condition, size, and other amenities of the replacement unit. Disputes concerning the initial rent for the replacement unit shall be determined by the Rent Board. It shall be evidence of a lack of good faith if a landlord times the service of the notice, or the filing of an action to recover possession, so as to avoid moving into a comparable unit, or to avoid offering a tenant a replacement unit.

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

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

(vii) If any provision or clause of this amendment to Section 37.9(a)(8) 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 held to be severable; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) The provisions established by this Section 37.9(i) include, but are not limited to, any rental unit where a notice to vacate/quit has been served as of the date this amendment takes effect but where the rental unit has not yet been vacated or an unlawful detainer judgment has not been issued.
(4) Within 30 days of personal service by the landlord of a written request, or, at the landlord's option, a notice of termination of tenancy under Section 37.9(a)(8), the tenant must submit a statement, with supporting evidence, to the landlord if the tenant claims to be a member of one of the classes protected by Section 37.9(i). The written request or notice shall contain a warning that a tenant's failure to submit a statement within the 30 day period shall be deemed an admission that the tenant is not protected by Section 37.9(i). The landlord shall file a copy of the request or notice with the Rent Board within 10 days of service on the tenant. A tenant's failure to submit a statement within the 30 day period shall be deemed an admission that the tenant is not protected by Section 37.9(i). A landlord may challenge a tenant's claim of protected status either by requesting a hearing with the Rent Board or, at the landlord's option, through commencement of eviction proceedings, including service of a notice of termination of tenancy. In the Rent Board hearing or the eviction action, the tenant shall have the burden of proof to show protected status. No civil or criminal liability under Section 37.9(e) or (f) shall be imposed upon a landlord for either requesting or challenging a tenant's claim of protected status.

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

SEC. 37.9A. TENANT RIGHTS IN CERTAIN DISPLACEMENTS. (a) Rent Allowed.
Any rental unit which a tenant vacates after receiving a notice to quit relying on Section 37.9(a)(13), if again offered for rent or lease at any time, must be offered at a rent not greater than that which would have been allowed had the prior tenant or tenants remained in

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continuous occupancy during the entire period of the vacancy. If it is asserted that a rent increase or increases could have taken place during the vacancy in question, the owner shall bear the burden of showing by a preponderance of the evidence that the rent could have been legally increased during the period. If it is asserted that the increase is based in whole or part 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.

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

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

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

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

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

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

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

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

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

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

1. Tenants who are members of lower income households, as defined by Section 50079.5 of the California Health and Safety Code, and who receive a notice to quit based upon Section 37.9(a)(13), in addition to all rights under any other provisions of law, shall be
entitled to receive before vacating the premises the following sums:

(A) If the unit is a studio (one or two rooms), $1,500; or
(B) If the unit is a one-bedroom (three rooms), $1,750; or
(C) If the unit contains two or more separate bedrooms, $2,500;

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

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

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

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

(g)(1) Notice to Rent Board. Any owner who intends to withdraw from rent or lease any rental unit shall notify the Board in writing of said intention. Said notice shall contain statements, under penalty of perjury, providing information on the number of residential units, the address or location of those units, the name or names of the tenants or lessees of the units, and the rent applicable to each residential rental unit. Said notice shall include a certification under penalty of perjury that actions have been filed as required by law to terminate all existing tenancies in the structure in question. Information respecting the name or names of the tenants, the rent applicable to any unit, or the total number of units, is
confidential and shall be treated as confidential information by the City for purposes of the
Information Practices Act of 1977, as contained in Chapter 1 (commencing with Section 1798)
of Title 1.8 of Part 4 of Division 3 of the Civil Code. The City shall, to the extent required by
the preceding sentence, be considered an “agency,” as defined by Subdivision (d) of Section
1798.3 of the Civil Code.

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

Memorandum of Notice
Regarding Withdrawal of Rental Unit From Rent or Lease

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

(Signature)

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

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

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

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

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

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

(A) Whether the unit has been demolished;

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

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

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

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

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

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

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

SEC. 37.9B. TENANT RIGHTS IN EVICTIONS UNDER SECTION 37.9(a)(8). (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 at 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 the
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) An owner who endeavors to recover possession under Section 37.9(a)(8) shall,
in addition to complying with the requirements of Section 37.9(c), inform the tenant in writing
of the following and file any written documents informing the tenant of the following with the
Rent Board within 10 days after service of the notice to vacate;

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

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

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

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

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

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

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

(d) Each individual tenant of any rental unit in a building containing two or more units who receives a notice to quit based upon Section 37.9(a)(8), and who has resided in the unit for 12 or more months, in addition to all rights under any other provision of law, shall be entitled to receive relocation expenses of $1,000 from the owner, $500 of which shall be paid at the time of the service of the notice to vacate, and $500 of which shall be paid when the tenant vacates. An owner who pays relocation costs as required by this subsection in conjunction with a notice to quit need not pay relocation costs with any further notices to quit for the same unit that are served within 180 days of the notice that included the required relocation payment. The relocation costs 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 costs shall not waive any other rights a tenant may have under law.

SEC. 37.10A. MISDEMEANORS. (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 an 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 provide by State or federal
law, be guilty of a misdemeanor.

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

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

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

December 13, 1999  Board of Supervisors — PASSED, ON FIRST READING
  Ayes: 10 - Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee
  Absent: 1 - Ammiano

December 20, 1999  Board of Supervisors — FINALLY PASSED
  Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee
I hereby certify that the foregoing Ordinance was FINALLY PASSED on December 20, 1999 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Mayor Willie L. Brown Jr.