FILE NO. 230311

AMENDED IN COMMITTEE 4/3/2023 ORDINANCE NO.072-23

[Administrative Code - COVID-19 Tenant Protections]

Ordinance amending the Administrative Code to extend by 60 days the restrictions on evicting or imposing late fees on residential tenants who could not pay rent that came due during the COVID-19 emergency<u>; and including within those restrictions units</u> where the rent is controlled or regulated by the City.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in <u>single-underline italics Times New Roman font</u>. Deletions to Codes are in <u>strikethrough italics Times New Roman font</u>. Board amendment additions are in <u>double-underlined Arial font</u>. Board amendment deletions are in <u>strikethrough Arial font</u>. Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Purpose and Findings.

(a) On February 25, 2020, the Mayor proclaimed a state of emergency due to
COVID-19 and the Board of Supervisors concurred in the emergency. Three years later, the
City is preparing for the end of this state of emergency, but the City and its residents have
suffered an unprecedented public health and economic crisis.

(b) With respect to evictions, the Mayor on March 13, 2020 adopted the first of a series of emergency orders to prevent the eviction of residential tenants who were unable to pay certain months' rent due to the financial impacts of COVID-19. The City later adopted an ordinance to limit such evictions, which applied to missed rent payments that originally came due between March 16, 2020, and September 30, 2020. *See* Ordinance No. 093-20, codified at Administrative Code Section 37.9(a)(1)(D). The City also created a COVID-19 Rent

Resolution and Relief Fund (Ordinance No. 227-20) to provide support to eligible landlords whose tenants are unable to pay rent due to the financial impacts of the COVID-19 pandemic.

(c) At the state level, the Legislature adopted the COVID-19 Tenant Relief Act (California Code of Civil Procedure Sections 1179.01 *et seq.*, hereafter, "the Act"), which created additional protections for tenants who were unable to pay their rent due to COVID-19. The Act addresses evictions for non-payment of rent that came due between March 1, 2020 and June 30, 2022 only. But the Act does not alter a local government's authority to extend, expand, renew, reenact, or newly adopt an ordinance that requires just cause for termination of a residential tenancy or amend existing ordinances that require just cause for termination of a residential tenancy, provided that such ordinances do not apply to rental payments that came due between March 1, 2020, and June 30, 2022, and do not take effect before July 1, 2022. Accordingly, by Ordinance No. 034-22, the City has continued to regulate evictions for non-payment, from July 1, 2022 until the end of the Mayor's state of emergency. The City has also assisted more than 6,070 households with more than \$47 million in funding to help them cover their unpaid rent, but there is a significant backlog of relief applications and more applications are expected.

(d) The Board of Supervisors finds there is a compelling need to ensure a safe and orderly transition for tenants following the end of the Mayor's state of emergency. The health orders have recently lifted, but it is important to remain vigilant against further spread of the disease, and ensure the City's most vulnerable residents can stay housed, find employment opportunities in a post-pandemic economy, and not leave San Francisco. Many potentially impacted renters are essential workers on whom the City will depend as it begins its post-emergency recovery.

(e) The Board of Supervisors finds it is in the public interest to prevent tenant displacement in San Francisco due to COVID-19, by enacting a limited extension of these

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tenant protections to ensure a safe and orderly wind-down following the end of the state of emergency. Pursuant to the City's legislative authority to regulate evictions, and consistent with the Act, this ordinance applies to rent payments that originally came due on or after July 1, 2022, through 60 days after the end of the Mayor's proclamation of emergency related to the COVID-19 pandemic. Nothing in this ordinance shall affect or impair the application of any other City law or the Act with respect to rent payments that originally came due before July 1, 2022.

Section 2. Chapter 37 of the Administrative Code is hereby amended by revising Section 37.9, to read as follows:

SEC. 37.9. EVICTIONS.

Notwithstanding Section 37.3, this Section 37.9 shall apply as of August 24, 1980, to all landlords and tenants of rental units as defined in Section 37.2(r).

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

(1) The tenant:

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

* * * *

(D) Provided, however, that subsection (a)(1) shall not apply with respect to rent payments that initially became due during the time period when paragraph 2 of the Governor's Executive Order No. N-28-20 (as said time period may be extended by the Governor from time to time) was in effect (March 16, 2020 through September 30, 2020), and where the tenant's failure to pay (i) arose out of a substantial decrease in household income (including, but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or substantial out-of-pocket

expenses); (ii) that was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19; and (iii) is documented. The types of documentation that a tenant may use to show an inability to pay due to COVID-19 may include, without limitation, bank statements, pay stubs, employment termination notices, proof of unemployment insurance claim filings, sworn affidavits, and completed forms prepared by the Rent Board. A tenant shall have the option, but shall not be required, to use third-party documentation such as a letter from an employer to show an inability to pay. The provisions of this subsection (a)(1)(D), being necessary for the welfare of the City and County of San Francisco and its residents, shall be liberally construed to effectuate its purpose, which is to protect tenants from being evicted for missing rent payments due to the COVID-19 pandemic. Nothing in this subsection (a)(1)(D) shall relieve a tenant of the obligation to pay rent, nor restrict a landlord's ability to recover rent due;

(E) Provided, further, that subsection (a)(1) also shall not apply with respect to rent payments that initially became due during the time period between *AprilJuly* 1, 2022, and <u>60 days after</u> the date that the Mayor's proclamation of emergency related to the COVID-19 pandemic ceases to be in effect, if the tenant can show inability to pay the rent because of the financial impacts of the COVID-19 pandemic as set forth in subsection (a)(1)(D). Nothing in this subsection (a)(1)(E) shall relieve a tenant of the obligation to pay rent, nor restrict a landlord's ability to recover rent due.

(F) The protections in subsections (a)(1)(D) and (a)(1)(E) shall also apply to units where the rent is controlled or regulated by the City, notwithstanding Section 37.2(r)(4), including without limitation privately-operated units controlled or regulated by the Mayor's Office of Housing and Community Development and/or the Department of Homelessness and Supportive Housing. This subsection (a)(1)(F) shall apply to all such units, including but not limited to those where a notice to vacate or guit was pending as of the date that this subsection (a)(1)(F) first took effect and regardless whether the notice was served before, on, or after April 3, 2023.

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

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(E) Notwithstanding any lease provision to the contrary, a landlord may not impose late fees, penalties, interest, liquidated damages, or similar charges due to a tenant's non-payment of rent, if the tenant can demonstrate that it missed the rent payment due to the COVID-19 pandemic as set forth in subsections (a)(1)(D), and/or-(a)(1)(E), and/or (a)(1)(E). A landlord may not recover possession of the unit due to a tenant's failure to pay late such charges when subsections (a)(1)(D), and/or-(a)(1)(E), and/or (a)(1)(F) apply. The foregoing sentence shall not enlarge or diminish a landlord's rights with respect to such charges when subsections (a)(1)(D), and/or-(a)(1)(E), and/or (a)(1)(F) do not apply. $\div or$

Section 3. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this ordinance or application thereof would be subsequently declared invalid or unconstitutional. Section 4. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM: DAVID CHIU, City Attorney

By: /s/ MANU PRADHAN Deputy City Attorney n:\legana\as2020\2000387\01667535.docx



City and County of San Francisco

Tails

Ordinance

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

File Number: 230311

Date Passed: April 25, 2023

Ordinance amending the Administrative Code to extend by 60 days the restrictions on evicting or imposing late fees on residential tenants who could not pay rent that came due during the COVID-19 emergency; and including within those restrictions units where the rent is controlled or regulated by the City.

March 20, 2023 Land Use and Transportation Committee - CONTINUED TO CALL OF THE CHAIR

April 03, 2023 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

April 03, 2023 Land Use and Transportation Committee - CONTINUED AS AMENDED

April 17, 2023 Land Use and Transportation Committee - RECOMMENDED AS COMMITTEE REPORT

April 18, 2023 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

April 25, 2023 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 230311

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 4/25/2023 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

Inder Brand

London N. Breed Mayor

5/3/23

Date Approved