[Administrative Code - Displaced Tenant Preference in City Affordable Housing]

Ordinance amending the Administrative Code to expand the Displaced Tenant Preference in City Affordable Housing Programs to cover tenants where the tenant's unit is no longer be restricted by a regulatory agreement or other affordable housing restriction within five years and the landlord has increased the market-rate rent in such tenant's building is to be more than 40% of the tenant's gross household income.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in strikethrough italics Times New Roman font. Board amendment additions are in double-underlined Arial font. Board amendment deletions are in strikethrough Arial font. 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. Chapter 47 of the Administrative Code is hereby amended by revising Section 47.2, to read as follows:

**SEC. 47.2. DEFINITIONS.**

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"Displaced Tenant" shall mean any person who applies to MOHCD and who MOHCD determines qualifies under any of the categories below. If a person disputes MOHCD's determination that he or she does not qualify as a "Displaced Tenant" under this Section 47.2, such person shall have the right to a hearing conducted by a Rent Board Administrative Law Judge (as defined in Administrative Code Section 37.2(f)), with MOHCD as the responding party:
Category 1: A tenant residing in San Francisco who on or after January 1, 2010 receives a Notice of Intent to Withdraw Rental Units ("Notice of Intent to Withdraw") pursuant to the Ellis Act, California Government Code Sections 7060 et seq., and corresponding provisions of the Rent Ordinance. MOHCD shall establish a process for a tenant to verify his or her status as a "Displaced Tenant" under Category 1 that, at a minimum, shall require a tenant to show: (a) the landlord filed with the Rent Board a Notice of Intent to Withdraw; and (b) the tenant either: (1) is listed on the Notice of Intent to Withdraw; (2) is listed on the lease for the unit in question; or (3) has other evidence sufficient to establish, in MOHCD's reasonable discretion, that he or she resided in the unit at the time the Notice of Intent to Withdraw was filed. If the Rent Board grants a landlord's request to rescind the Notice of Intent to Withdraw before a tenant moves out of his or her unit, such tenant shall no longer qualify as a "Displaced Tenant."

Category 2: A tenant residing in San Francisco who on or after January 1, 2010 receives a notice that his or her landlord plans to recover possession of the unit under Section 37.9(a)(8) of the Rent Ordinance. MOHCD shall establish a process for a tenant to verify his or her status as a "Displaced Tenant" under Category 2 that, at a minimum, shall require a tenant to show: (a) the landlord filed with the Rent Board the notice to vacate, as required under Rent Ordinance Section 37.9(c); and (b) the tenant either: (1) is listed on the notice to vacate; (2) is listed on the lease for the unit in question; or (3) has other evidence sufficient to establish, in MOHCD's reasonable discretion, that he or she resided in the unit at the time the notice to vacate was filed.

Category 3: A tenant residing in San Francisco who is required to vacate his or her unit by a public safety official due to fire, and who can provide sufficient evidence to MOHCD that demonstrates that he or she cannot return to the unit within a period of six months from the date of the order to vacate the unit. MOHCD shall establish a process for a tenant to verify
his or her status as a "Displaced Tenant" under Category 3 that, at a minimum, shall require a tenant to show: (a) a public safety official provided an order to vacate the unit to such tenant or to the owner of the unit; and (b) the tenant either: (1) is listed on the order to vacate; (2) is listed on the lease for the unit in question; or (3) has other evidence sufficient to establish, in MOHCD's reasonable discretion, that he or she resided in the unit at the time the order was provided. This Category 3 "Displaced Tenant" preference shall expire by operation of law on December 31, 2020, provided, however, that MOHCD may determine after December 31, 2020 that a person who applied to MOHCD under Category 3 on or prior to December 31, 2020 qualifies as a Displaced Tenant.

Category 4: A tenant residing in San Francisco who is vacating the tenant’s unit because MOHCD has verified that a multi-family residential property is will no longer be restricted to ensure affordability based on income under any regulatory agreement (including a regulatory agreement based on the issuance of housing mortgage revenue bonds) or other affordable housing agreement and/or recorded instrument within 5 years, and the landlord of such property has leased unrestricted residential rental units in the same building at a market rent that is more than increase such tenant’s total annual rent above 40% of the tenant’s total annual gross household income. MOHCD shall establish a process for a tenant to verify the tenant’s status as a "Displaced Tenant" under Category 4 that, at a minimum, shall require the tenant to show: (a) documentation of the tenant’s total gross household income on a form provided by MOHCD in accordance with the Inclusionary Procedures Manual in effect at the time of application for a “Displaced Tenant” housing preference; (b) evidence that market rate rent in the tenant’s building written documentation from the landlord, in a form prescribed by MOHCD, that the household will is required to execute a new lease with a rent amount that exceeds 40% of the tenant’s current total annual gross household income; and (c) the tenant either: (1) is listed on the lease for the unit in question; or
(2) has other evidence sufficient to establish, in MOHCD's reasonable discretion, that he or she resides in the unit at the time the landlord increased the tenant's rent.

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Section 2. 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 3. 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:
DENNIS J. HERRERA, City Attorney

By:
KEITH NAGAYAMA
Deputy City Attorney

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Ordinance amending the Administrative Code to expand the Displaced Tenant Preference in City Affordable Housing Programs to cover tenants where the tenant’s unit will no longer be restricted by a regulatory agreement or other affordable housing restriction within five years and market-rate rent in such tenant’s building is more than 40% of the tenant’s gross household income.

June 03, 2019 Rules Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

June 03, 2019 Rules Committee - CONTINUED AS AMENDED

June 10, 2019 Rules Committee - RECOMMENDED

June 18, 2019 Board of Supervisors - PASSED ON FIRST READING
   Ayes: 10 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani and Yee
   Absent: 1 - Walton

June 25, 2019 Board of Supervisors - FINALLY PASSED
   Ayes: 10 - Brown, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee
   Absent: 1 - Fewer
File No. 190140

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/25/2019 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved: 6/25/19