

UNDERSTANDING SAN FRANCISCO RENT CONTROL

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UNDERSTANDING SAN FRANCISCO RENT CONTROL

- **MAJORS COMPONENTS OF RENT CONTROL**
 - General Provisions
 - Rent Limitations
 - Evictions
 - Tenants Rights / Notice Requirements for Certain Categories of Evictions



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MAJOR COMPONENTS OF RENT CONTROL

- **Effective June 13, 1979**
- **Section 37.1 Title and findings**
 - This chapter shall be known as the Residential Rent Stabilization and Arbitration Ordinance.
 - The Board of Supervisors hereby finds:
 - There is a shortage of decent, safe and sanitary housing in the City and County of San Francisco resulting in a critically low vacancy factor.
 - Tenants displaced as a result of their inability to pay increased rents must relocate but as a result of such housing shortage are unable to find decent, safe and sanitary housing at affordable rent levels. Aware of the difficulty in finding decent housing, some tenants attempt to pay requested rent increases, but as a consequence must expend less on other necessities of life



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MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.2 Definitions (General Provisions)**

- **Base Rent**

- 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 (Capital improvements; Rehabilitation work)
 - Base rent shall not include utility passthroughs or water revenue bond passthroughs or general obligation bond passthroughs pursuant to Sections 37.2(q), 37.3(a)(5)(B), and 37.3(a)(6)



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.2 Definitions (General Provisions) (continued)**

- **Base Rent (continued)**

- 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:
 - With respect to **tenant-based rental assistance**:
 - For any tenant receiving tenant-based rental 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 a 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")
 - For **Section 8 recipients** – base rent is the contract rent
 - 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
 - Same for Section 8



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.2 Definitions (General Provisions) (continued)**
 - **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
 - **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, furnishings, food service, housing services of any kind, or subletting
 - **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 the cost of those utilities increases, the landlord's passing through to the tenant of such increased costs pursuant to this Chapter does not constitute a rent increase; (2) where there has been a change in the landlord's property tax attributable to a general obligation bond



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.2 Definitions (General Provisions) (continued)**

- **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.
 - Notwithstanding the preceding paragraph, a landlord may temporarily sever one or more housing services listed in that paragraph in order to perform seismic work required by Building Code Chapter 34B “Mandatory Earthquake Retrofit of Wood-Frame Buildings”

- **Rental Units Shall Not Include**

- Housing accommodations in hotels, motels, inns, tourist houses, rooming and boarding houses
 - Dwelling units in non-profit cooperatives owned
 - Housing accommodations 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



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37.2 Definitions (General Provisions) (continued)**

▪ **Rental Units Shall Not Include (continued)**

- Dwelling units whose rents are controlled or regulated by any government unit (except as previously defined)
- Single family homes including condos have limited rent control coverage
 - The tenant does not have full rent control protection if they live in a single family home (a single family home with an illegal in-law unit counts as a 2-unit building) or a condominium and they (and their roommates) moved in on or after January 1, 1996. While these units do not usually have limits on rent increases, they do have “just cause” eviction protection (unless otherwise exempt for reasons such as above), meaning they can only be evicted for one of the just causes.
 - Exception: If the tenant moved into a single family home which was vacant because the previous tenant was evicted after a 60 or 30 day eviction notice (a no-fault eviction), then the tenant has full rent control protection



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.2 Definitions (General Provisions) (continued)**
 - **Rental Units Shall Not Include (continued)**
 - Single family homes including condos have limited rent control coverage (continued)
 - Exception: If the tenant moved into a single family home which was vacant because the previous tenant was evicted after a 60 or 30 day eviction notice (a no-fault eviction), then the tenant has full rent control protection
 - Exception: If the tenant moved into a single family home or condo which had housing code violations that were cited and uncorrected for at least 6 months before the vacancy, then the tenant has full rent control.
 - Exception: If the tenant lives in a condo where the subdivider of the building still owns the condos, then the tenant has full rent control protection, unless it is the last unsold unit and the subdivider lived in the unit for at least a year after subdivision.



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.2 Definitions (General Provisions) (continued)**
 - **Rental Units Shall Not Include (continued)**
 - Rental units located in a structure for which a certificate of occupancy was first issued after the effective date of this ordinance (June 13, 1979)
 - Dwelling units in a building which has undergone substantial rehabilitation after the effective date of this ordinance
 - Dwellings or units otherwise subject to this Chapter 37, to the extent such dwelling or units are partially or wholly exempted from rent increase limitations by the Costa-Hawkins Residential Housing Act (California Civil Code Sections 1954.50, et seq.) and/or San Francisco Administrative Code Section 37.3(d)
- ❖ The term “rental units” shall include In-Law Units



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.2 Definitions (General Provisions) (continued)**
 - **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



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.3 Rent Limitations**

- **Rent Increase Limitations for Tenants in Occupancy**

Landlords may impose rent increases upon tenants in occupancy only as provided below:

- **Annual Rent Increase.** On March 1 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% of said published increase. In no event, however, shall the allowable annual increase be greater than 7%
 - **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 7% rent increase (or rent increases) or any portion thereof may impose the accumulated increase on the tenant's subsequent rent increase anniversary dates



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.3 Rent Limitations**

- **Rent Increase Limitations for Tenants in Occupancy (Continued)**

- **Capital Improvements, Rehabilitation, Energy Conservation Improvements, and Renewable Energy Improvements.** A landlord may impose rent increases based upon the cost of capital improvements, rehabilitation, energy conservation improvements. (Must be certified and not to exceed 10% of tenant's base rent)
 - **Utilities.** A landlord may impose increases based upon the cost of utilities
 - **Water:** Charges Related to Excess Water Use, and 50% Passthrough of Water Bill Charges Attributable to Water Rate Increases Resulting From Issuance of Water System Improvement Revenue Bonds Authorized at the November 2002 Election.
 - But must certify to tenant installation of water saving devices, no known leaks, bill provided
 - Only for penalties charged after April 20, 1991
 - Increases based upon penalties shall be pro-rated on a per room basis provided that the tenancy existed during the time the penalty charges accrued



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.3 Rent Limitations**

- **Rent Increase Limitations for Tenants in Occupancy (Continued)**

- **Property Tax.** A landlord may impose increases based upon a 100% passthrough of the 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
 - A landlord may impose increases based upon a 50% passthrough of the 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 after November 14, 2002, and subject to the following requirement: Any rent increase for bonds approved after the effective date of this initiative Ordinance [November 2000 Proposition H, effective December 20, 2000] must be disclosed and approved by the voters
 - A landlord may impose increases based upon a 50% passthrough of the change in the landlord's property tax resulting from the repayment of San Francisco Unified School District or San Francisco Community College District general obligation bonds approved by the voters after November 1, 2006



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.3** **Rent Limitations**

- **Rent Increase Limitations for Tenants in Occupancy (Continued)**

- **RAP Loans.** A landlord may impose rent increases attributable to the Chief Administrative Officer'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
 - **Additional Increases.** A landlord who seeks to impose any rent increase which exceeds those permitted above shall petition for a rental arbitration hearing
 - 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 11 or 26
 - Not exceeding 10% in any 12 month period



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.3 Rent Limitations**

- **Rent Increase Limitations for Tenants in Occupancy (Continued)**

- With respect to units occupied by **recipients of tenant-based rental assistance**
 - 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
 - Just cause for eviction rules still apply
 - **Additional occupants**
 - A landlord may not impose increases solely because a tenant has added an additional occupant to an existing tenancy, including, but not limited to, a newborn child or family member as defined in Section 401 of the Housing Code. The prohibition on increases mandated by this Subsection (A) shall apply notwithstanding a rental agreement or lease that specifically permits a rent increase for additional occupants



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.3 Rent Limitations**

- **Rent Increase Limitations for Tenants in Occupancy (Continued)**

- **Additional occupants (Continued)**

- A landlord may petition the Board for a rent increase

- **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:

- Which portion of the rent increase reflects the annual increase, and/or a banked amount, if any

- Which portion reflects only other costs or passthrough as defined earlier



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.3 Rent Limitations**

- **Rent Increase Limitations for Tenants in Occupancy (Continued)**

- **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
 - **Costa-Hawkins Rental Housing Act** (Civil Code Sections 1954.50, et seq.)
 - Pursuant to the Costa-Hawkins Rental Housing Act ("Costa-Hawkins," California Civil Code §§1954.50 et seq.), most single-family homes and condominiums are no longer subject to the rent control provisions of the San Francisco "Residential Rent Stabilization and Arbitration Ordinance" (Administrative Code Chapter 37)
 - §37.3(d)(1), which parallels pertinent provisions of Civil Code §1954.52, provides that an owner may establish the initial and all subsequent rental rates for most single family homes and condominiums, without observing the rent increase limitations otherwise provided under the rent ordinance



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.3 Rent Limitations**

- **Rent Increase Limitations for Tenants in Occupancy (Continued)**

- **Costa-Hawkins Rental Housing Act (Continued)**

- **Exceptions:**

- Units with a pre-January 1, 1996 tenant

- Units with serious long-term health, safety, fire or building code violations

- §37.3(d)(3), which parallels the SB1098 amendments to Civil Code §1954.53(a)(1)(A) and (B) and the addition of Civil Code §1954.535, would provide that if an owner terminates or does not renew a contract or recorded agreement with a government agency that provides rent limitations for qualified tenants (such as a Section 8-type contract), then such tenants are entitled to 90 days written notice of the contract/agreement termination/nonrenewal. Further, the owner may not then set the initial rent for an affected unit for three years (that is, such a unit is subject to the rent control provisions of Chapter 37), except that in limited situations the rent may be governed by a subsequent government contract/agreement.

- Section 6.14 Notices and Costa-Hawkins



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37. 9 Evictions**

The eviction controls apply to all rental units and tenants as previously defined

- A landlord shall not endeavor to recover possession of a rental unit unless 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:
 - Habitually pays the rent late; or
 - Gives checks which are frequently returned because there are insufficient funds in the checking account; or
 - The tenant has violated a lawful obligation or covenant of tenancy other than the obligation to surrender possession upon proper notice



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.9 Evictions (Continued)**

- **Exceptions:**

- The landlord has unreasonably withheld the right to sublet following a written request by the tenant
 - The landlord has unreasonably refused a written request by the tenant to add relative occupant(s) to the unit
 - The landlord has unreasonably refused a written request by the tenant to add occupant(s) to the unit
 - Before endeavoring to recover possession based on the violation of a lawful obligation or covenant of tenancy regarding subletting or limits on the number of occupants in the rental unit, the landlord shall serve the tenant a written notice of the violation that provides the tenant with an opportunity to cure the violation in 10 or more days



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37.9** **Evictions (Continued)**

- 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
 - Caveat:
 - Eviction Protections for victims of domestic violence or sexual assault or stalking:
 - It shall be a defense to an action for possession of a unit under Subsection 37.9(a)(3) if the court determines that the breach of covenant was the result of domestic violence or sexual assault or stalking
- The tenant is using or permitting a rental unit to be used for any illegal purpose
 - Unless curable breach of contract then 30 days to cure
 - Unless the illegal use is the use of an illegal rental unit
- Refusal to execute a written extension or renewal of rental agreement



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37. 9** **Evictions (Continued)**

- The tenant has, after written notice to cease, refused the landlord access to the rental unit as required by state or local law
- The tenant holding at the end of the term of the oral or written agreement is a subtenant not approved by the landlord
- Owner move-in
 - For the landlords use or occupancy as his or her principal residence for a period of at least 36 continuous months;
 - For the use or occupancy of the landlords grandparents, grandchildren, parents, children, brother or sister, or the landlords 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



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37. 9** **Evictions (Continued)**

- 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
- 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
- A landlord may not recover possession under the owner move-in 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



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37. 9** **Evictions (Continued)**

- 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 persons principal residence for a minimum of 36 consecutive months
 - One owner move-in per unit
 - Only one unit can be occupied by owner
- The landlord seeks to recover possession in good faith in order to sell the unit in accordance with a condominium conversion
- 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.



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37.9 Evictions (Continued)**

- 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
- The tenant shall not be required to vacate for a period in excess of three months
- The landlord seeks to recover possession in good faith in order to carry out substantial rehabilitation
- Must pay relocation expenses



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37.9 Evictions (Continued)**

- **Ellis Act Eviction.** The landlord wishes to withdraw from rent or lease all rental units within any detached physical structure
- Procedures / steps required:
 - **Step 1:** The owner must serve the tenants with notices of termination of tenancy requiring the tenants to quit the premises on the effective date of withdrawal, which is 120 days after the Notice of Intent To Withdraw Residential Units from the Rental Market is filed with the Rent Board as required in Step 2
 - **Step 2:** The owner must file a Notice of Intent To Withdraw Residential Units from the Rental Market ("Notice of Intent") with the Rent Board
 - **Step 3:** Within fifteen days of filing the Notice of Intent, the owner must inform the tenants that the Notice of Intent was filed with the Rent Board, that the tenants have certain re-occupancy rights, that the tenants have the right to relocation assistance, and that elderly or disabled tenants who have lived in the unit for at least one year have the right to extend the date of withdrawal from 120 days to one year
 - **Step 4:** Within sixty days of filing the Notice of Intent, elderly or disabled tenants must give written notice to the owner of their entitlement to an extension of the date of withdrawal from 120 days to one year
 - **Step 5:** Within thirty days of receipt of a tenant's claim to an extension of the date of withdrawal, the owner must give written notice of the claim to the Rent Board



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.9 Evictions (Continued)**

- **Ellis Act Eviction.** (Continued)

- Procedures / steps required:

- **Step 6:** Within ninety days of filing the Notice of Intent, the owner must give written notice to the Rent Board and the tenants as to whether or not the owner disputes a tenant's claim to an extension. The notice must also state whether the owner is extending the date of withdrawal for other units in building
 - **Step 7:** Prior to the effective date of withdrawal, the owner shall record a Memorandum summarizing the Notice of Intent with the County Recorder. A tenant may assert the owner's failure to record the Memorandum as a defense to an eviction action. The Rent Board will record a Notice of Constraints notwithstanding the owner's failure to record the Memorandum
 - **Step 8:** Withdrawal of the rental units is effective 120 days after the filing of the Notice of Intent, or one year for qualified elderly or disabled tenants and any other units for which the landlord has voluntarily extended the date of withdrawal
 - **Step 9:** After the effective date of withdrawal, the owner can file an unlawful detainer eviction action to recover possession of a withdrawn rental unit if the tenants have not vacated the unit
 - **Step 10:** Within thirty days after the effective date of withdrawal, the Rent Board will record a Notice of Constraints with the County Recorder



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9 Evictions (Continued)**

- **Ellis Act Eviction.** (Continued)

- Procedures / steps required:

- Pursuant to the Ellis Act, the Notice of Constraints imposes a 5-year period of vacancy control from the effective date of withdrawal. If the Ellis filing is rescinded, the 5-year period of vacancy control runs from the date of filing of the Notice of Intent with the Rent Board. Upon written request to the landlord, the displaced tenant has the right of first refusal if the unit is put back on the rental market within 10 years of the effective date of withdrawal - the landlord can charge only the rent-controlled rent within the first five years, but can charge market rent during the next five years
 - Pursuant to state law amendments to the Ellis Act, the Board of Supervisors amended the Rent Ordinance in February 2005 to provide for relocation payments of \$4,500 per tenant up to a maximum of \$13,500 per unit, with an additional payment of \$3,000 for each elderly or disabled tenant. The amendment also requires that the relocation payment amounts be adjusted for inflation on March 1, 2006 and March 1 of each year thereafter
 - Violation of the provisions governing the withdrawal of units under the Ellis Act may subject the owner to liability for actual and punitive damages



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37. 9 Evictions (Continued)**

- The landlord seeks in good faith to temporarily recover possession of the unit solely for the purpose of effecting lead remediation or abatement work
 - The tenant will vacate the unit only for the minimum time required to do the work
 - Relocation payments required
- The landlord seeks to recover possession in good faith in order to demolish or to otherwise permanently remove the rental unit from housing use in accordance with the terms of a development agreement entered into by the City under Chapter 56 of the San Francisco Administrative Code
- The tenant's Good Samaritan Status has expired, and the landlord exercises the right to recover possession by serving a notice of termination of tenancy within 60 days after expiration of the Original and any Extended Good Samaritan Status Period



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37. 9 Evictions (Continued)**

- A landlord who resides in the same rental unit with his or her tenant may evict said tenant without just cause
- **Eviction Notice Requirements:**
 - A landlord shall not endeavor to recover possession of a rental unit unless at least one of the grounds enumerated in Section 37.9 is (1) the landlord's dominant motive for recovering possession and (2) 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 for notices to vacate under eviction for owner move-in, condominium conversion, demolishing and lead remediation evictions state in the notice to vacate the lawful rent for the unit at the time the notice is issued before endeavoring to recover possession
 - The Board shall prepare a written form that states that a tenant's failure to timely act in response to a notice to vacate may result in a lawsuit by the landlord to evict the tenant and advice regarding the notice to vacate is available from the Board
 - The Board shall prepare the form in English, Chinese, Spanish, Vietnamese, Tagalog, and Russian and make the form available to the public on its website and in its office



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9 Evictions (Continued)**

- **Eviction Notice Requirements: (Continued)**

- A landlord shall attach a copy of the form that is in the primary language of the tenant to a notice to vacate before serving the notice, except that if the tenant's primary language is not English, Chinese, Spanish, Vietnamese, Tagalog or Russian, the landlord shall attach a copy of the form that is in English to the notice
 - 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
 - No retaliatory evictions – damages and attorneys' fees
 - Evictions without good cause could lead to misdemeanor, fines and penalties



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9 Evictions (Continued)**

- **Additional provisions for landlord seeking eviction**

- A landlord may not recover possession of a unit from a tenant under an owner move-in eviction if any tenant:
 - Is 60 years of age or older and has been residing in the unit for 10 years or more; or
 - Is disabled and has been residing in the unit for 10 years or more, or is catastrophically ill and has been residing in the unit for five years or more
 - These restrictions do not apply if 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 is occupied by a tenant 60 years of age or older and where the landlord's qualified relative who will move into the unit pursuant to an owner move-in eviction Section is 60 years of age or older
 - Tenant has 30 days to notify landlord of protected class status



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9 Evictions (Continued)**

- **Additional provisions for landlord seeking eviction (Continued)**

- 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
 - The landlord shall file a copy of the request or notice with the Rent Board within ten days of service on the tenant
 - **Children restrict owner move-in**
 - Not applicable if owner or relative has child
 - Notification of protected status required
 - Same protected requirements as age and disability



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37.9 Evictions (Continued)**

- **Disclosure of Rights to Tenants Before and After Sale of Rental Units Subject to Section 37.9**

Before sale, a statement in bold type of at least 12 points that:

- tenants cannot be evicted or asked to move solely because a property is being sold or solely because a new owner has purchased that property
- No rent increase
- No rental agreement change
- Must receive notice
- Not required to sign estoppel agreement
- Rent board advice available



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9 Evictions (Continued)**

- **Disclosure of Rights to Tenants Before and After Sale of Rental Units Subject to Section 37.9**

After sale, within 30 days of purchase, a statement in bold type of at least 12 points that:

- Cannot be evicted
 - No rent increase
 - Rental agreement not materially changed
 - Lawful tenants remain lawful tenants
 - Housing services remain the same



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37. 9B**

Tenants Rights in Owner Move-In Evictions

- 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 that 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
- 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 an owner move-in shall first offer the unit for rent or lease to the tenants displaced



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9B Tenants Rights in Owner Move-In Evictions (Continued)**
 - **Owner move-in notice to tenant requirements:**
 - The identity and percentage of ownership of all persons holding a full or partial percentage ownership in the property;
 - The dates the percentages of ownership were recorded;
 - The name(s) of the landlord endeavoring to recover possession and, if applicable, the names(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);
 - 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;
 - 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;
 - The contents of Section 37.9B, by providing a copy of same; and
 - The right the tenant(s) may have to relocation costs and the amount of those relocation costs



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9B Tenants Rights in Owner Move-In Evictions (Continued)**
 - **Owner move-in notice to tenant requirements: (Continued)**
 - Filed with rent board within 10 days of service along with notice to vacate
 - The landlord shall pay relocation expenses as provided in Section 37.9C



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37. 9C Tenants Rights To Relocation For No-Fault Evictions**

- Relocation payments required
- Notice to tenant of applicable relocation amounts
- Relocation expenses shall be:
 - Each Eligible Tenant receiving a Covered No-Fault Eviction Notice shall receive \$4,500, \$2,250 of which shall be paid at the time of the service of the notice to quit, and \$2,250 of which shall be paid when the unit is vacated. In no case, however, shall the landlord be obligated to provide more than \$13,500 in relocation expenses to all Eligible Tenants in the same unit
 - In addition, each Eligible Tenant who is 60 years of age or older or who is disabled within the meaning of Section 12955.3 of the California Government Code, and each household with at least one Eligible Tenant and at least one child under the age of 18 years, shall be entitled to receive an additional payment of \$3,000.00, \$1,500.00 of which shall be paid within fifteen (15) calendar days of the landlord's receipt of written notice from the Eligible Tenant of entitlement to the relocation payment along with supporting evidence, and \$1,500 of which shall be paid when the Eligible Tenant vacates the unit. Within 30 days after notification to the landlord of a claim of entitlement to additional relocation expenses because of disability, age, or having children in the household, the landlord shall give written notice to the Rent Board of the claim for additional relocation assistance and whether or not the landlord disputes the claim



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9C Tenants Rights To Relocation For No-Fault Evictions (Continued)**
 - Relocation expenses shall be: (Continued)
 - Commencing March 1, 2007, these relocation expenses, including the maximum relocation expenses per unit, shall increase annually, rounded to the nearest dollar, at the rate of increase in the "rent of primary residence" expenditure category of the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-San Jose Region for the preceding calendar year, as that data is made available by the United States Department of Labor and published by the Board
 - The provisions of this Ordinance shall apply to all notices to quit served on or after August 10, 2006



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9D** **Foreclosure Evictions**
 - **Just cause of eviction or termination of lease agreement required for removal of tenant**
 - Within 15 days after foreclosure of a residential property subject to this Section 37.9D, the person or entity that takes title must provide to the tenant or tenants in the property **notice of their rights under** this Section 37.9D
 - Conspicuous posting and mailing required for notice



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9D Foreclosure Evictions (Continued)**
 - **NOTICE UNDER SAN FRANCISCO ADMINISTRATIVE CODE SECTION 37.9D**

To all tenants residing at: _____ (property address).

Date:_____.

The person or entity named below obtained title through foreclosure

To the property in which you reside, on: _____ (date).

You are hereby advised that under San Francisco Administrative Code Section 37.9 you may not be evicted from the rental unit in which you Reside unless the landlord has a just cause for eviction under Section 37.9(a) of the San Francisco Administrative Code.

Additional information on your tenant rights under this ordinance is Available from the San Francisco Residential Rent Stabilization and Arbitration Board, 25 Van Ness Avenue, San Francisco, California, Telephone number (415) 252-4602.

Name of lender and contact telephone number: _____



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37. 9E Tenant Buyout Agreements**

▪ **Disclosure requirements for Buyout Agreements**

- A statement that the tenant has a right not to enter into a Buyout Agreement or Buyout Negotiations;
- A statement that the tenant may choose to consult with an attorney before entering into a Buyout Agreement or Buyout Negotiations;
- A statement that the tenant may rescind the Buyout Agreement for up to 45 days after the Buyout Agreement is fully executed;
- A statement that the tenant may visit the Rent Board for information about other Buyout Agreements in the tenant's neighborhood;
- A list of tenants' rights organizations and their contact information;
- A statement that information about tenants' rights is available at the Rent Board's office, through its counseling telephone number, and on its website;
- A statement explaining the legal implications under Section 1396(e)(4) of the Subdivision Code for a landlord who enters into one or more Buyout Agreements;



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9E Tenant Buyout Agreements (Continued)**

- **Disclosure requirements for Buyout Agreements (Continued)**

- If the landlord is an entity, the names of all people within that entity who will be conducting the Buyout Negotiations, as well as the names of all people within that entity who will have decision-making authority over the terms of the Buyout Agreement;
 - Any other information required by the Rent Board consistent with the purposes and provisions of this Section 37.9E; and
 - A space for each tenant to sign and write the date the landlord provided the tenant with the disclosure
 - The landlord shall retain a copy of each signed disclosure form for five years, along with a record of the date the landlord provided the disclosure to each tenant



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9E Tenant Buyout Agreements (Continued)**
- **Notification of the Rent Board.** Prior to commencing Buyout Negotiations, the landlord shall provide the following information to the Rent Board, on a form developed and authorized by the Rent Board:
 - The landlord's name, business address, business email address, and business telephone number;
 - The name of each tenant with whom the landlord intends to enter into Buyout Negotiations;
 - The address of the rental unit that may be the subject of Buyout Negotiations; and
 - A statement signed under penalty of perjury that the landlord provided each tenant with the disclosure required by subsection (d) prior to commencing Buyout Negotiations
- The Rent Board shall make the information included on this form publically available, except that the Rent Board shall redact all information regarding the identity of the tenants



MAJOR COMPONENTS OF RENT CONTROL

▪ **Section 37. 9E Tenant Buyout Agreements (Continued)**

- **Requirements for Buyout Agreements.** Every Buyout Agreement shall:
 - Be in writing
 - Include the following statement in bold letters in a size equal to at least 14-point type in close proximity to the space reserved for the signature of the tenant(s). “You, the tenant, may cancel this agreement at any time before the 45th day after all parties have signed this agreement. To cancel this agreement, mail or deliver a signed and dated notice stating that you, the tenant, are cancelling this agreement, or words of similar effect. The notice shall be sent to: _____ (Name of landlord) at _____ (Address of landlord).” Immediately after this statement, there shall be a line for each tenant to affix his or her initials
 - Include the following statements in a size equal to at least 14-point type: “You, the tenant, have a right not to enter into a buyout agreement”; You, the tenant, may choose to consult with an attorney and/or a tenants’ rights organization before signing this agreement. You can find a list of tenants’ rights organizations on the Rent Board’s website – www.sfrb.org”; and “The Rent Board has created a publically available, searchable database that may include information about other buyout agreements in your neighborhood. You can search this database at the Rent Board’s office at 25 Van Ness Avenue, Suite 320.” Immediately after each statement, there shall be a line for each tenant to affix his or her initials



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9E Tenant Buyout Agreements (Continued)**

- **Requirements for Buyout Agreements. Every Buyout Agreement shall: (Continued)**

- Include the following statements in a size equal to at least 14-point type: “Under Section 1396(e)(4) of San Francisco’s Subdivision Code, a property owner may not convert a building into a condominium where: (A) a senior, disabled, or catastrophically ill tenant has vacated a unit under a buyout agreement after October 31, 2014, or (B) two or more tenants who are not senior, disabled, or catastrophically ill have vacated units under buyout agreements, if the agreements were entered after October 31, 2014 and within the ten years prior to the condominium conversion application. A ‘senior’ is a person who is 60 years or older and has been residing in the unit for ten years or more at the time of Buyout Agreement; a ‘disabled’ tenant is a person who is disabled under the Americans with Disabilities Act (Title 42 United States Code Section 12102) and has been residing in the unit for ten years or more at the time of Buyout Agreement; and a ‘catastrophically ill’ tenant is a person who is disabled under the Americans with Disabilities Act (Title 42 United States Code Section 12102) and who is suffering from a life threatening illness and has been residing in the unit for five years or more at the time of Buyout Agreement. Do you believe that you are senior, disabled, or catastrophically ill as those terms are defined above? Yes ____ No ____ I don’t know ____ I prefer not to say ____.” The question listed in this subsection (f)(4) shall appear in the Buyout Agreement once for each tenant who is a party to the Buyout Agreement. Next to each question shall be a line for the tenant to affix his or her initials



MAJOR COMPONENTS OF RENT CONTROL

- **Section 37. 9E Tenant Buyout Agreements (Continued)**
- **Requirements for Buyout Agreements.** Every Buyout Agreement shall: **(Continued)**
 - A Buyout Agreement that does not satisfy all the requirements of this subsection (f) shall not be effective
 - **Rescission of Buyout Agreements.** A tenant shall have the right to rescind a Buyout Agreement for up to and including 45 days after its execution by all parties
 - **Filing of Buyout Agreements.** The landlord shall file a copy of the Buyout Agreement with the Rent Board no sooner than the 46th day after the Buyout Agreement is executed by all parties, and no more than 59 days after the agreement is executed by all parties
 - **Penalties and Enforcement.** Damages to tenant when landlord fails to comply



UNDERSTANDING SAN FRANCISCO RENT CONTROL

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Fort Mason Center, San Francisco

Presented by the Law Offices of Bill Ford



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