

TEXT OF PROPOSED ORDINANCE PROPOSITION I

NOTE: Additions and substitutions are indicated by **bold face type**; deletions are indicated by **strike-out type**.

Section 1. This ordinance shall take effect upon certification of election results by the Board of Supervisors of the City and County of San Francisco.

Section 2. The San Francisco Administrative Code is hereby amended by amending Section 37.2(p), adding a new Section 37.12 and renumbering the current Section 37.12 as follows:

Sec. 37.2 Definitions.

[Amended by Ord. No. 197-80 effective June 8, 1980; No. 77-82 effective April 1, 1982; No. 268-82 effective July 10, 1982; No. 421-82 effective October 1, 1982; No. 111-83 effective April 10, 1983; No. 438-83 effective October 2, 1983; No. 20-84 effective February 18, 1984; No. 193-86 effective July 1, 1986; No. 233-93 effective August 22, 1993.]

(a) **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 below or utility passthroughs pursuant to Section 37.2(o) below. Base rent for tenants of RAP rental units in areas designated on or after July 1, 1977 shall be that rent which is established pursuant to Section 32.73-1 of the San Francisco Administrative Code. Rent increases attributable to the Chief Administrative Officers amortization of a RAP loan in an area designated on or after July 1, 1977 shall not be included in the base rent.

(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.** A person, designated by the board, who arbitrates rental increase disputes.

(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, painting, light, heat, water, elevator service, laundry facilities and privileges, janitor service, refuse removal, furnishings, telephone, parking 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) **Rap.** Residential Rehabilitation Loan Program (Chapter 32, San Francisco Administrative Code).

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

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

(m) **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 repair damage resulting from fire, earthquake or other casualty or natural disaster.

(n) **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.

(o) **Rent Increases.** Any additional monies demanded or paid for rent as defined in item (n) above, or any reduction in housing services without a corresponding reduction in the monies demanded or paid for rent; provided, however, that where the landlord has been paying the tenants utilities and cost of those utilities increase, the landlords passing through to the tenant of such increased costs does not constitute a rent increase.

(p) **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 thirty-two (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 Sec. 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 non-profit cooperatives owned, occupied and controlled by a majority of the residents or dwelling units solely owned by a non-profit public benefit corporation 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 accommodations in any hospital, convent, monastery, extended care facility, asylum, non-profit home for the aged, or in dormi-

tories owned and operated by an institution of higher education, a high school, or an elementary school;

(4) 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 Ordinance to the extent that the Ordinance is not in conflict with the seismic strengthening bond program or with the bond program's loan agreements or with any regulations promulgated thereunder;

~~(5) owner-occupied buildings containing four~~ (4) residential rental units or less, wherein owner has resided for at least six continuous months;

(6) 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.

(7) 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.

(q) **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 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.

(r) **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.

(s) **Utilities.** The term utilities shall refer to gas and electricity exclusively.

Section 37.12 Transitional Provisions

This section is enacted in order to assure the smooth transition to coverage under this chapter of owner occupied buildings containing four units or less, as a result of the repeal of the exemption for owner-occupied units. The provisions of this section apply only to such units. The units are referred to as "newly covered units" in this section. The term "effective date of coverage" as used herein means the effective date of the repeal of the owner occupancy exemption.

(a) The initial base rent for all newly covered units shall be the rent that was in effect for the rental unit on May 1, 1994. If no rent was in effect for the newly covered unit on

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May 1, 1994, the initial base rent shall be the first rent in effect after that date.

(b) All rents paid after May 1, 1994, in excess of the initial base rent under Section 37.12(a), shall be refunded to the tenant no later than December 15, 1994. If the landlord fails to refund the excess rent by December 15, 1994, the tenant may deduct the amount of the refund from future rent payments, or bring a civil action under Section 37.11A, or exercise any other

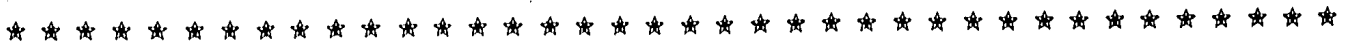
existing remedies. All tenants residing in newly covered units are entitled to this refund, even if the tenant vacated before the effective date of coverage of the newly covered units.

Sec. 37.1213 Severability.

[Amended by Ord. No. 172-80 effective May 2, 1980; No. 468-80 effective October 30, 1980; No. 509-81 effective November 18, 1981; repealed by Ord. No. 77-82 effective April 1, 1982; re-numbered from Section 37-14 by Ord. No.

20-84 effective February 18, 1984.]

If any provision of clause of this chapter 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 declared to be severable. □



**You can vote absentee in person at Room 158
in City Hall starting Tuesday, October 11 through Tuesday,
November 8, during regular working hours — 8 a.m. – 5 p.m.
Take advantage of this option if you will not be able
to go to your polling place on election day.**

