

1 [Administrative, Planning Codes - Amending Regulation of Short-Term Residential Rentals
2 and Establishing Fee]

3 **Ordinance amending the Administrative Code to provide an exception for permanent**
4 **residents to the prohibition on short-term residential rentals under certain conditions;**
5 **to create procedures, including a registry administered by the Planning Department, for**
6 **tracking short-term residential rentals and compliance; to establish an application fee**
7 **for the registry; amending the Planning Code to clarify that short-term residential**
8 **rentals shall not change a unit's type as residential; affirming the Planning**
9 **Department's determination under the California Environmental Quality Act; and**
10 **making findings of consistency with the General Plan and the eight priority policies of**
11 **Planning Code Section 101.1.**

12 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
13 **Additions to Codes** are in *single-underline italics Times New Roman font*.
14 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
15 **Board amendment additions** are in double-underlined Arial font.
16 **Board amendment deletions** are in ~~strikethrough Arial font~~.
17 **Asterisks (* * * *)** indicate the omission of unchanged Code
18 subsections or parts of tables.

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

18 Section 1. The Board of Supervisors of the City and County of San Francisco hereby
19 finds and determines that:

20 (a) General Plan and Planning Code Findings.

21 (1) On August 7, 2014, at a duly noticed public hearing, the Planning
22 Commission in Resolution No. 19213 found that the proposed Planning Code amendments
23 contained in this ordinance were consistent with the City's General Plan and with Planning
24 Code Section 101.1(b) and recommended that the Board of Supervisors adopt the proposed
25 Planning Code amendments. A copy of said Resolution is on file with the Clerk of the Board of

1 Supervisors in File No. _____ and is incorporated herein by reference. The Board
2 finds that the proposed Planning Code amendments contained in this ordinance are on
3 balance consistent with the City's General Plan and with Planning Code Section 101.1(b) for
4 the reasons set forth in said Resolution.

5 (2) Pursuant to Planning Code Section 302, the Board finds that the
6 proposed ordinance will serve the public necessity, convenience and welfare for the reasons
7 set forth in Planning Commission Resolution No. 19213, which reasons are incorporated
8 herein by reference as though fully set forth.

9 (b) Environmental Findings. The Planning Department has determined that the
10 actions contemplated in this ordinance comply with the California Environmental Quality Act
11 (California Public Resources Code Section 21000 et seq.). Said determination is on file with
12 the Clerk of the Board of Supervisors in File No. _____ and is incorporated herein
13 by reference. The Board affirms this determination.

14 (c) General Findings.

15 (1) The widespread conversion of residential housing to short-term rentals,
16 commonly referred to as hotelization, was prohibited by this Board because, when taken to
17 extremes, these conversions could result in the loss of housing for permanent residents. But,
18 with the advent of new technology, the rise of the sharing economy, and the economic and
19 social benefits to residents of sharing resources, short-term rental activity continued to
20 proliferate. This has not only led the City to strengthen enforcement of short-term rental laws,
21 but also prompted an examination of parameters to regulate short-term rentals and create a
22 pathway to legalize this activity. The goal of regulation is to ensure compliance with all
23 requirements of the Municipal Code, including but not limited to the Business and Tax
24 Regulations Code and the Residential Rent Stabilization and Arbitration Ordinance, and
25 accountability for neighborhood quality of life.

1 (2) The exception created here for permanent residents would allow for
2 reasonable flexibility in renting residential spaces on an occasional basis; however, this
3 exception is only intended for residents who meet the definition of permanent resident so that
4 these units remain truly residential in use. Thus, the exception is only for primary residences
5 in which permanent residents are present for a significant majority of the calendar year.

6 (3) The hosting platforms, as part of a new but growing industry, would also
7 benefit from regulation to ensure good business standards and practices. Such regulation
8 includes required notification to users of local short-term rental laws and transient occupancy
9 tax obligations to San Francisco.

10 (4) The Office of the Treasurer & Tax Collector retains all of its existing
11 authority under the Business & Tax Regulations Code with regard to the subject matter of this
12 ordinance.

13
14 Section 2. The Administrative Code is hereby amended by revising Sections 37.9(a),
15 41A.4, 41A.5, and 41A.6, to read as follows:

16
17 **SEC. 37.9. EVICTIONS.** Notwithstanding Section 37.3, this Section shall apply as of
18 August 24, 1980, to all landlords and tenants of rental units as defined in Section 37.2(r).

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

20 (1) The tenant:

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

23 (i) Except that a tenant's nonpayment of a charge prohibited
24 by Section 919.1 of the Police Code shall not constitute a failure to pay rent; and

1 (ii) Except that, commencing August 10, 2001, to and including
2 February 10, 2003, a landlord shall not endeavor to recover or recover possession of a rental
3 unit for failure of a tenant to pay that portion of rent attributable to a capital improvement
4 passthrough certified pursuant to a decision issued after April 10, 2000, where the capital
5 improvement passthrough petition was filed prior to August 10, 2001, and a landlord shall not
6 impose any late fee(s) upon the tenant for such non-payment of capital improvements costs;
7 or

8 (B) Habitually pays the rent late; or

9 (C) Gives checks which are frequently returned because there are
10 insufficient funds in the checking account; or

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

15 (A) Provided that notwithstanding any lease provision to the contrary,
16 a landlord shall not endeavor to recover possession of a rental unit as a result of subletting of
17 the rental unit by the tenant if the landlord has unreasonably withheld the right to sublet
18 following a written request by the tenant, so long as the tenant continues to reside in the rental
19 unit and the sublet constitutes a one-for-one replacement of the departing tenant(s). If the
20 landlord fails to respond to the tenant in writing within fourteen (14) days of receipt of the
21 tenant's written request, the tenant's request shall be deemed approved by the landlord.

22 (B) Provided further that where a rental agreement or lease provision
23 limits the number of occupants or limits or prohibits subletting or assignment, a landlord shall
24 not endeavor to recover possession of a rental unit as a result of the addition to the unit of a
25 tenant's child, parent, grandchild, grandparent, brother or sister, or the spouse or domestic

1 partner (as defined in Administrative Code Sections 62.1 through 62.8) of such relatives, or as
2 a result of the addition of the spouse or domestic partner of a tenant, so long as the maximum
3 number of occupants stated in Section 37.9(a)(2)(B)(i) and (ii) is not exceeded, if the landlord
4 has unreasonably refused a written request by the tenant to add such occupant(s) to the unit.
5 If the landlord fails to respond to the tenant in writing within fourteen (14) days of receipt of the
6 tenant's written request, the tenant's request shall be deemed approved by the landlord. A
7 landlord's reasonable refusal of the tenant's written request may not be based on the
8 proposed additional occupant's lack of creditworthiness, if that person will not be legally
9 obligated to pay some or all of the rent to the landlord. A landlord's reasonable refusal of the
10 tenant's written request may be based on, but is not limited to, the ground that the total
11 number of occupants in a unit exceeds (or with the proposed additional occupant(s) would
12 exceed) the lesser of (i) or (ii):

13 (i) Two persons in a studio unit, three persons in a one-
14 bedroom unit, four persons in a two-bedroom unit, six persons in a three-bedroom unit, or
15 eight persons in a four-bedroom unit; or

16 (ii) The maximum number permitted in the unit under
17 state law and/or other local codes such as the Building, Fire, Housing and Planning Codes; or

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

23 (4) The tenant is using or permitting a rental unit to be used for any illegal
24 purpose, provided however that a landlord shall not endeavor to recover possession of a rental unit
25

1 solely as a result of a first violation of Chapter 41A that has been cured within 30 days written notice to
2 the tenant; or

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

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

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

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

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

16 (ii) For the use or occupancy of the landlord's grandparents,
17 grandchildren, parents, children, brother or sister, or the landlord's spouse, or the spouses of
18 such relations, as their principal place of residency for a period of at least 36 months, in the
19 same building in which the landlord resides as his or her principal place of residency, or in a
20 building in which the landlord is simultaneously seeking possession of a rental unit under
21 Section 37.9(a)(8)(i). For purposes of this Section 37.9(a)(8)(ii), the term spouse shall include
22 domestic partners as defined in San Francisco Administrative Code Sections 62.1 through
23 62.8.

24 (iii) For purposes of this Section 37.9(a)(8) only, as to landlords who
25 become owners of record of the rental unit on or before February 21, 1991, the term "landlord"

1 shall be defined as an owner of record of at least 10 percent interest in the property or, for
2 Section 37.9(a)(8)(i) only, two individuals registered as domestic partners as defined in San
3 Francisco Administrative Code Sections 62.1 through 62.8 whose combined ownership of
4 record is at least 10 percent. For purposes of this Section 37.9(a)(8) only, as to landlords who
5 become owners of record of the rental unit after February 21, 1991, the term "landlord" shall
6 be defined as an owner of record of at least 25 percent interest in the property or, for Section
7 37.9(a)(8)(i) only, two individuals registered as domestic partners as defined in San Francisco
8 Administrative Code Sections 62.1 through 62.8 whose combined ownership of record is at
9 least 25 percent.

10 (iv) A landlord may not recover possession under this Section
11 37.9(a)(8) if a comparable unit owned by the landlord is already vacant and is available, or if
12 such a unit becomes vacant and available before the recovery of possession of the unit. If a
13 comparable unit does become vacant and available before the recovery of possession, the
14 landlord shall rescind the notice to vacate and dismiss any action filed to recover possession
15 of the premises. Provided further, if a noncomparable unit becomes available before the
16 recovery of possession, the landlord shall offer that unit to the tenant at a rent based on the
17 rent that the tenant is paying, with upward or downward adjustments allowed based upon the
18 condition, size, and other amenities of the replacement unit. Disputes concerning the initial
19 rent for the replacement unit shall be determined by the Rent Board. It shall be evidence of a
20 lack of good faith if a landlord times the service of the notice, or the filing of an action to
21 recover possession, so as to avoid moving into a comparable unit, or to avoid offering a
22 tenant a replacement unit.

23 (v) It shall be rebuttably presumed that the landlord has not acted in
24 good faith if the landlord or relative for whom the tenant was evicted does not move into the
25

1 rental unit within three months and occupy said unit as that person's principal residence for a
2 minimum of 36 continuous months.

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

12 (vii) If any provision or clause of this amendment to Section 37.9(a)(8)
13 or the application thereof to any person or circumstance is held to be unconstitutional or to be
14 otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other
15 chapter provisions, and clauses of this Chapter are held to be severable; or

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

19 (10) The landlord seeks to recover possession in good faith in order to
20 demolish or to otherwise permanently remove the rental unit from housing use and has
21 obtained all the necessary permits on or before the date upon which notice to vacate is given,
22 and does so without ulterior reasons and with honest intent; provided that a landlord who
23 seeks to recover possession under this Section 37.9(a)(10) shall pay relocation expenses as
24 provided in Section 37.9C except that a landlord who seeks to demolish an unreinforced
25 masonry building pursuant to Building Code Chapters 16B and 16C must provide the tenant

1 with the relocation assistance specified in Section 37.9A(f) below prior to the tenant's vacating
2 the premises; or

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

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

1 Chapter except as provided in Section 32.69 of the San Francisco Administrative Code; Any
2 landlord who seeks to recover possession under this Section 37.9(a)(12) shall pay relocation
3 expenses as provided in Section 37.9C; or

4 (13) The landlord wishes to withdraw from rent or lease all rental units within
5 any detached physical structure and, in addition, in the case of any detached physical
6 structure containing three or fewer rental units, any other rental units on the same lot, and
7 complies in full with Section 37.9A with respect to each such unit; provided, however, that
8 guestrooms or efficiency units within a residential hotel, as defined in Section 50519 of the
9 Health and Safety Code, may not be withdrawn from rent or lease if the residential hotel has a
10 permit of occupancy issued prior to January 1, 1990, and if the residential hotel did not send a
11 notice of intent to withdraw the units from rent or lease (Administrative Code Section 37.9A(f),
12 Government Code Section 7060.4(a)) that was delivered to the Rent Board prior to January 1,
13 2004; or

14 (14) The landlord seeks in good faith to temporarily recover possession of the
15 unit solely for the purpose of effecting lead remediation or abatement work, as required by
16 San Francisco Health Code Articles 11 or 26. The tenant will vacate the unit only for the
17 minimum time required to do the work. The relocation rights and remedies, established by
18 San Francisco Administrative Code Chapter 72, including but not limited to, the payment of
19 financial relocation assistance, shall apply to evictions under this Section 37.9(a)(14).

20 (15) The landlord seeks to recover possession in good faith in order to
21 demolish or to otherwise permanently remove the rental unit from housing use in accordance
22 with the terms of a development agreement entered into by the City under Chapter 56 of the
23 San Francisco Administrative Code.

24 (16) The tenant's Good Samaritan Status (Section 37.2(a)(1)(D)) has expired,
25 and the landlord exercises the right to recover possession by serving a notice of termination of

1 tenancy under this Section 37.9(a)(16) within 60 days after expiration of the Original and any
2 Extended Good Samaritan Status Period.

3 * * * *

4
5 **SEC. 41A.4. DEFINITIONS.**

6 Whenever used in this Chapter 41A, the following words and phrases shall have the definitions
7 provided in this Section:

8 **Business Entity.** *A corporation, partnership, or other legal entity that is not a natural*
9 *person that owns or leases one or more residential units.*

10 **Complaint.** *A complaint submitted to the Department by an interested party alleging*
11 *a violation of this Chapter 41A and that includes the rResidential uUnit's address, including unit*
12 *number, date(s) and nature of alleged violation(s), and any available contact information for the*
13 *oOwner and/or resident of the rResidential uUnit at issue.*

14 **Conversion or Convert.** *A change of use from rResidential uUse to tTourist or*
15 *tTransient uUse, including, but not limited to, renting a rResidential uUnit as a tTourist or tTransient*
16 *uUse.*

17 **Department.** *The Planning Department.*

18 **Director.** *The Director of the Planning Department.*

19 **Hosting Platform.** *A person or entity that provides a means through which an oOwner*
20 *may offer a rResidential uUnit for tTourist or tTransient uUse. This service is usually, though not*
21 *necessarily, provided through an online platform and generally allows an oOwner to advertise the*
22 *rResidential uUnit through a website provided by the hHosting pPlatform and provides a means for*
23 *potential tourist or transient users to arrange tTourist or tTransient uUse and payment, whether the*
24 *tourist or transient pays rent directly to the oOwner or to the hHosting pPlatform.*

1 **Interested Party.** A ~~P~~ermanent ~~R~~esident of the building in which the ~~T~~ourist or
2 ~~T~~ransient ~~U~~se is alleged to occur, any homeowner association ~~o~~f associated with the building
3 Residential Unit in which the Tourist or Transient Use is alleged to occur, the Owner of the
4 Residential Unit in which the Tourist or Transient Use is alleged to occur, the City and County of
5 San Francisco, or any non-profit organization exempt from taxation pursuant to Title 26, Section 501
6 of the United States Code, which has the preservation or improvement of housing as a stated purpose in
7 its articles of incorporation or bylaws.

8 **Owner.** Owner includes any person who is the owner of record of the real property. As
9 used in this Chapter 41A, the term “Owner” includes a lessee where the lessee is offering a
10 ~~R~~esidential ~~U~~nit for ~~T~~ourist or ~~T~~ransient use.

11 **Permanent Resident.** A person who occupies a ~~R~~esidential ~~U~~nit for at least 60
12 consecutive days with intent to establish that unit as his or her primary residence. A ~~P~~ermanent
13 ~~R~~esident may be an owner or a lessee.

14 **Primary Residence.** The ~~P~~ermanent ~~R~~esident’s usual place of return for housing as
15 documented by at least two of the following: motor vehicle registration; driver’s license; voter
16 registration; tax documents showing the Residential Unit as the Permanent Resident’s
17 residence for the purposes of a home owner’s tax exemption; or other such evidence a utility bill.
18 A person may have only one Primary Residence.

19 (a) **Residential Unit.** Room or rooms, including a condominium or a room or
20 dwelling unit that forms part of a tenancy-in-common arrangement, in any building, or portion
21 thereof, which is designed, built, rented, leased, let or hired out to be occupied for ~~R~~esidential
22 ~~U~~se, or which is occupied as the home or residence of four or more households living independently
23 of each other in dwelling units as defined in the San Francisco Housing Code, ~~provided that the~~
24 residential unit was occupied by a permanent resident on or after February 8, 1981. It is presumed that
25

1 a residential unit was occupied by a permanent resident on or after February 8, 1981, and the owner
2 has the burden of proof to show that a residential unit is not subject to this Chapter.

3 (b) — **Residential Use.** Any use for occupancy of a ~~dwelling~~ Residential Unit by a
4 Permanent Resident.

5 **Short-Term Residential Rental.** A ~~Tourist or Transient Use~~ where all of the
6 following conditions are met:

7 (a) the Residential Unit is offered for Tourist or Transient Use by the
8 Permanent Resident of the Residential Unit;

9 (b) the Permanent Resident is a natural person;

10 (c) the Permanent Resident has registered the Residential Unit and maintains
11 good standing on the Department's Short-Term Residential Rental Registry; and

12 (d) the Residential Unit is not subject to the Inclusionary Affordable Housing
13 Program set forth in Planning Code Section 415 et seq.; is not a residential hotel unit as defined in
14 subject to the provisions of Chapter 41, unless such unit has been issued a Permit to Convert
15 under Section 41.12; is not otherwise a designated as a below market rate or income-
16 restricted Residential Unit under City, state, or federal law; has not been the subject of an
17 eviction pursuant to the Ellis Act and Administrative Code Section 37.9(a)(13) within the five
18 year period prior to applying for the Registry if such eviction occurred after November 1, 2014;
19 and no other requirement of federal or state law, this Municipal Code, or any other application
20 applicable law or regulation prohibits the permanent resident from subleasing, renting, or otherwise
21 allowing Short-Term Residential Rental of the Residential Unit.

22 **Short-Term Residential Rental Registry or Registry.** A database of information
23 maintained by the Department that includes information regarding Permanent Residents who are
24 permitted to offer Residential Units for Short-Term Residential Rental. Only one Permanent
25 Resident per Residential Unit may be included on the Registry at any given time. The Registry

1 shall be available for public review to the extent required by law, except that, to the extent permitted by
2 law, the Department shall redact any ~~P~~ermanent ~~R~~esident names from the records available for
3 public review.

4 (e) — **Tourist or Transient Use.** Any Use of a ~~R~~esidential ~~U~~nit for occupancy for
5 less than a 30-day term of tenancy, or occupancy for less than 30 days of a ~~R~~esidential ~~U~~nit
6 leased or owned by a ~~B~~usiness ~~E~~ntity, whether on a short-term or long-term basis,
7 including any occupancy by employees or guests of a ~~B~~usiness ~~E~~ntity for less than 30 days
8 where payment for the ~~R~~esidential ~~U~~nit is contracted for or paid by the ~~B~~usiness ~~E~~ntity.

9 (d) — *Permanent Resident.* A person who occupies a residential unit for at least 60
10 consecutive days with intent to establish that unit as his or her principal place of residence.

11 (e) — *Conversion or Convert.* The change of the use or to rent a residential unit from
12 residential use to tourist or transient use.

13 (f) — *Owner.* Owner includes any person who is the owner of record of the real property.
14 Owner includes a lessee where an interested party alleges that a lessee is offering a residential unit for
15 tourist or transient use.

16 (g) — *Interested Party.* A permanent resident of the building in which the tourist or transient
17 use is alleged to occur, the City and County of San Francisco, or any non-profit organization exempt
18 from taxation pursuant to Title 26, Section 501 of the United States Code, which has the preservation
19 or improvement of housing as a stated purpose in its articles of incorporation or bylaws.

20 (h) — *Director.* The Director of the Department of Building Inspection.

21
22 **SEC. 41A.5. UNLAWFUL CONVERSION; REMEDIES.**

23 (a) **Unlawful Actions.** Except as set forth in subsection 41A.5(g), it shall be unlawful
24 for

1 (1) any Owner to offer ~~an apartment~~ Residential Unit for rent for Tourist or
2 Transient Use;

3 (2) any Owner to offer a Residential Unit for rent to a Business Entity
4 that will allow the use of a Residential Unit for Tourist or Transient Use; or

5 (3) any Business Entity to allow the use of a Residential Unit for Tourist
6 or Transient Use.

7 (b) **Records Required.** The Owner and Business Entity, *if any*, shall retain and
8 make available to the Department ~~or Building Inspection occupancy~~ records to demonstrate
9 compliance with this Chapter 41A upon written request as provided herein. Any Permanent Resident
10 offering his or her Primary Residence as a Short-Term Residential Rental shall retain and make
11 available to the Department records to demonstrate compliance with this Chapter 41A, including but
12 not limited to records demonstrating Primary Residency, and the number of days per calendar year he
13 or she has occupied the Residential Unit, and the number of days per calendar year, with dates
14 and the duration of each stay, the Residential Unit has been rented for Short-Term Residential
15 Rental Use.

16 (c) **Determination of Violation.** Upon the filing of a written Complaint that an
17 Owner or Business Entity has engaged in an alleged unlawful eConversion has occurred or
18 that a Hosting Platform is not complying with the requirements of subsection (g)(54)(A), the
19 Director shall take reasonable steps necessary to determine the validity of the Complaint.
20 The Director may independently determine whether an Owner or Business Entity may be
21 renting a Residential Unit for Tourist or Transient Use *as defined* in violation of this Chapter
22 41A or whether a Hosting Platform has failed to comply with the requirements of subsection
23 (g)(54)(A). To determine if there is a violation of this Chapter 41A, the Director may initiate an
24 investigation of the subject property or Hosting Platform's allegedly unlawful activities. This
25 investigation may include, but is not limited to, an inspection of the subject property and/or a

1 request for any pertinent information from the Owner, or Business Entity, or Hosting Platform,
2 such as leases, business records, or other documents. The Director shall have discretion to
3 determine whether there is a potential violation of this Chapter 41A and whether to conduct an
4 administrative review hearing as set forth below. Notwithstanding any other provision of this
5 Chapter 41A, any alleged violation related to failure to comply with the requirements of the
6 Business and Tax Regulations Code shall be enforced by the Treasurer/Tax Collector under
7 the provisions of that Code.

8 (d) **Civil Action.**

9 (1) The City may institute civil proceedings for injunctive and monetary relief,
10 including civil penalties, against an Owner, Business Entity, or Hosting Platform for violations
11 of this Chapter 41A at any time. Following the filing of a Complaint and the determination of a
12 violation by the Director through an administrative review hearing as set forth in this Chapter
13 41A, ~~the City and County of San Francisco may institute civil proceedings for injunctive and~~
14 ~~monetary relief against a Hosting Platform for violation of subsection (g)(4)(A) or the City or~~
15 any other interested Party may institute civil proceedings for injunctive and monetary relief
16 against an Owner or Business Entity.

17 (2) Notwithstanding subsection (d)(1), an Interested Party that is a non-profit
18 organization exempt from taxation pursuant to Title 26, Section 501 of the United States Code
19 that has the preservation or improvement of housing as a stated purpose in its articles of
20 incorporation or bylaws may institute a civil action against the Owner or Business Entity in the
21 timeframe provided in this subsection (d)(2) if, within 60 months prior to the date of the filing of
22 the Complaint, the Owner or Business Entity terminated the tenancy of one or more tenants in
23 the building pursuant to Administrative Code Section 37.9(a)(13) where the tenant was served
24 with a notice of eviction after October 7, 2014. An Interested Party may institute a civil action
25 under this subsection (d)(2) only if:

1 (A) The Interested Party has filed a Complaint with the Department;

2 (B) 30 days have passed since the filing of the Complaint;

3 (C) After such 30-day period has passed, the Interested Party has
4 provided 30 days' written notice to the Department and the City Attorney's Office of its intent
5 to initiate civil proceedings; and

6 (D) The City has not initiated civil proceedings by the end of that 30-
7 day period.

8 (3) Notwithstanding subsection (d)(1), an Interested Party that is a non-profit
9 organization exempt from taxation pursuant to Title 26, Section 501 of the United States Code
10 that has the preservation or improvement of housing as a stated purpose in its articles of
11 incorporation or bylaws and has existed as such for no less than five years from February 1,
12 2015, may institute civil proceedings against an Owner or Business Entity of a rent-controlled
13 building of at least three Residential Units for injunctive relief. An Interested Party initiating
14 civil proceedings under this subsection (d)(3) shall not be entitled to damages. An Interested
15 Party may institute a civil action under this subsection (d)(2) only if:

16 (A) The Interested Party has filed a Complaint with the Department;

17 (B) 45 days have passed since the filing of the Complaint; and

18 (C) After such 45-day period has passed, the Interested Party has
19 provided written notice to the Department and the City Attorney's Office of its intent to initiate
20 civil proceedings.

21 (4) In addition, if the City is the prevailing party in any civil action under this
22 subsection(d), the an Owner, or, or-Bbusiness Entity in violation of this Chapter or a Hosting
23 Platform in violation of subsection (g)(4)(A) may be liable for civil penalties of not more than
24 \$1,000 per day for the period of the unlawful rental activity; other Interested Parties may not
25 seek civil penalties. If the City or any other the interested party is the prevailing party, the

1 City or the interested party shall be entitled to the costs of enforcing this Chapter 41A,
2 including reasonable attorneys' fees, ~~up to the amount of the monetary award,~~ pursuant to an
3 order of the Court. Any monetary award obtained by the City and County of San Francisco in
4 such a civil action shall be deposited in the ~~Mayor's Office of Housing, Housing Affordability~~
5 ~~Fund less the reasonable costs incurred by the City and County of San Francisco in pursuing~~
6 ~~the civil action~~ Department to be used for enforcement of Chapter 41A. The Department,
7 through the use of these funds, shall reimburse City departments and agencies, including the
8 City Attorney's Office, for all costs and fees incurred in the enforcement of this Chapter 41A.

9 (e) **Criminal Penalties.** Any ~~O~~owner or ~~B~~business ~~E~~entity who rents a ~~R~~residential
10 ~~U~~nit for ~~T~~ourist or ~~T~~ransient ~~U~~se ~~as defined in violation of this Chapter 41A without correcting~~
11 ~~or remedying the violation as provided for in subsection 41A.6(b)(7)~~ shall be guilty of a
12 misdemeanor. Any person convicted of a misdemeanor hereunder shall be punishable by a
13 fine of not more than \$1,000 or by imprisonment in the County Jail for a period of not more
14 than six months, or by both. Each ~~R~~residential ~~U~~nit rented for ~~T~~ourist or ~~T~~ransient ~~U~~se
15 shall constitute a separate offense.

16 (f) **Method of Enforcement, Director.** The Director shall have the authority to
17 enforce this Chapter against violations thereof by any or all of the means provided for in this
18 Chapter 41A.

19 (g) **Exception for Short-Term Residential Rental.**

20 (1) Notwithstanding the restrictions set forth in this Section 41A.5, a Permanent
21 Resident may offer his or her Primary Residence as a Short-Term Residential Rental if he or she:

22 (A) occupies the Residential Unit is occupied by the Permanent
23 Resident occupies the Residential Unit for no less than 275 days out of the preceding per out of
24 any given the calendar year in which the Residential Unit is rented as a Short-Term Residential
25 Rental or, proportional share thereof if he or she if the Permanent Resident has not rented or

1 owned the Residential Unit for the full preceding calendar year, for no less than 75% of the
2 days he or she has owned or rented the Residential Unit;

3 (B) The Permanent Resident maintains records for two years
4 demonstrating compliance with this Chapter, including but not limited to information demonstrating
5 Primary Residency, the number of days per calendar year he or she has occupied the Residential Unit,
6 the number of days per calendar year the Residential Unit has been rented as a Short-Term
7 Residential Rental, and compliance with the insurance requirement in Subsection (D). These records
8 shall be made available to the Department upon request;

9 (C) The Permanent Resident complies with any and all applicable
10 provisions of state and federal law and the San Francisco Municipal Code, including but not limited to
11 the requirements of the Business and Tax Regulations Code by, among any other applicable
12 requirements, collecting and remitting all required transient occupancy taxes, and the occupancy
13 requirements of the Housing Code;

14 (D) The Permanent Resident maintains homeowner's or renter's
15 property or casualty liability insurance appropriate to cover the Short-Term Residential Rental
16 Use in the aggregate of not less than \$150,000500,000 or conducts each Short-Term Residential
17 Rental transaction through a Hosting Platform that provides a guarantee program relating to
18 property damage in an amount not less than \$150,000 to owners per incidentequal or greater
19 coverage. Such coverage shall defend and indemnify the Owner(s), as named additional
20 insured, and any tenant(s) in the building for their bodily injury and property damage arising
21 from the Short-Term Residential Use;

22 (E) registers, and maintains registry of, the The Residential Unit is
23 registered on the Short-Term Residential Rental Registry prior to offering the Residential Unit for
24 use as a Short-Term Residential Rental. Offering a Residential Unit for Short-Term
25

1 ~~Residential Rental while not maintaining good standing on the registry shall constitute a~~
2 ~~violation of this Chapter 41A; and~~

3 ~~(F) includes t~~The Permanent Resident includes the Department-issued
4 ~~registration number is included on any h~~Hosting pPlatform listing or other listing offering the
5 Residential Unit for use as a Short-Term Residential Rental;

6 ~~(G) f~~For units subject to the rent control provisions of Section 37.3, the
7 Permanent Resident complies with the initial rent limitation for subtenants and charges no more rent
8 than the rent the primary Permanent rResident is paying to any landlord per month; and

9 ~~(H) The Permanent Resident~~can demonstrate to the satisfaction of the
10 Department that the Residential Unit and the property on which it is located is not subject to any
11 outstanding Building, Electrical, Plumbing, Mechanical, Fire, Health, Housing, Police, or Planning
12 Code enforcement, including any notices of violation, notices to cure, orders of abatement, cease and
13 desist orders, or correction notices. The Department shall not include a property that is subject to any
14 such outstanding violations in the Registry. If such a violation occurs once a Residential Unit has
15 been included in the Registry, the Department shall suspend the Residential Unit's registration
16 and registration number until the violation has been cured.

17 (2) Additional Requirements.

18 (A) Offering a Residential Unit for Short-Term Residential Rental,
19 including but not limited to advertising the Residential Unit's availability, while not maintaining
20 good standing on the Registry shall constitute an unlawful conversion in violation of this
21 Chapter 41A and shall subject the person or entity offering the unit in such a manner to the
22 administrative penalties and enforcement procedures, including civil penalties, of this Chapter.

23 (B) Only one Permanent Resident may be associated with a
24 Residential Unit on the Registry, and it shall be unlawful for any other person, even if that
25

1 person meets the qualifications of a “Permanent Resident”, to offer a Residential Unit for
2 Short-Term Residential Rental.

3 (C) A Permanent Resident offering a Residential Unit for Short-Term
4 Residential Rental shall maintain a valid business registration certificate.

5 (D) A Permanent Resident offering a Residential Unit for Short-Term
6 Residential Rental shall post a clearly printed sign inside his or her Residential Unit on the
7 inside of the front door that provides information regarding the location of all fire extinguishers
8 in the unit and building, gas shut off valves, fire exits, and pull fire alarms.

9 (23) Short-Term Residential Rental Registry Applications, and Fee, and Reporting
10 Requirement.

11 (A) Application. Registration shall be for a two-year term, which may be
12 renewed by the Permanent Resident by filing a completed renewal application. Initial and renewal
13 applications shall be in a form prescribed by the Department. The Department shall determine, in its
14 sole discretion, the completeness of an application. Upon receipt of a complete initial application,
15 the Department shall send mailed notice to the owner of record of the Residential Unit,
16 informing the owner that an application to the Registry for the unit has been received. If the
17 Residential Unit is in a RH-1(D) zoning district, the Department shall also send mailed notice
18 to any directly associated homeowner association that has previously requested such notice.

19 Both the initial application and any renewal application shall contain information sufficient to
20 show that the Residential Unit is the Primary Residence of the applicant, and that the applicant is the
21 unit’s Permanent Resident, and that the applicant has the required insurance coverage and
22 business registration certificate. In addition to the information set forth here, the Department may
23 require any other additional information necessary to show the Permanent Resident’s compliance with
24 this Chapter 41A. Primary Residency may shall be established by showing the Residential Unit is
25 listed as the applicant’s residence on at least two of the following: any motor vehicle registration;

1 driver's license; or voter registration; or tax documents showing the Residential Unit as the
2 Permanent Resident's Primary Residence for home owner's tax exemption purposes, and; or any
3 other information as required by the Department utility bill. A renewal application shall contain
4 sufficient information to show that the applicant is the Permanent Resident and has occupied the unit
5 for at least 275 days of each of the two preceding calendar years. Upon the Department's
6 determination that an application is complete, the unit shall be entered into the Short-Term Residential
7 Rental Registry and assigned an individual registration number.

8 (B) Fee. The fee for the initial application and for each renewal shall be
9 \$50, payable to the Director. The application fee shall be due at the time of application. Beginning with
10 fiscal year 2014-2015, fees set forth in this Section may be adjusted each year, without further action
11 by the Board of Supervisors, as set forth in this Section. Not later than April 1Within six months of
12 the effective operative date of this ordinance and after holding a duly noticed informational
13 hearing at the Planning Commission, the Director shall report to the Controller the revenues
14 generated by the fees for the prior fiscal year and the prior fiscal year's costs of establishing and
15 maintaining the registry and enforcing the requirements of this Chapter 41A, as well as any other
16 information that the Controller determines appropriate to the performance of the duties set forth in this
17 Chapter. After the hearing by the Planning Commission, but Not later than May 15August 1,
18 2015, the Controller shall determine whether the current fees have produced or are projected to
19 produce revenues sufficient to support the costs of establishing and maintaining the registry, enforcing
20 the requirements of this Chapter 41A and any other services set forth in this Chapter and that the
21 fees will not produce revenue that is significantly more than the costs of providing such services. The
22 Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal year as
23 appropriate to ensure that the program recovers the costs of operation without producing revenue that
24 is significantly more than such costs. The adjusted rates shall become operative on July 1.

1 (C) Reporting Requirement. To maintain good standing on the
2 Registry, the Permanent Resident shall submit a report to the Department on January 1 of
3 each year regarding the number of days the Residential Unit or any portion thereof has been
4 rented as a Short-Term Residential Rental since either initial registration or the last report,
5 whichever is more recent, and any additional information the Department may require to
6 demonstrate compliance with this Chapter 41A.

7 (454) Requirements for Hosting Platforms.

8 (A) Notice to Users of Hosting Platform. All Hosting Platforms shall provide
9 the following information in a notice to any user listing a Residential Unit located within the City and
10 County of San Francisco through the Hosting Platform's service. The notice shall be provided prior to
11 the user listing the Residential Unit and shall include the following information: that Administrative
12 Code Chapters 37 and 41A regulate Short-Term Rental of Residential Units; the requirements for
13 Permanent Residency and registration of the unit with the Department; and the transient occupancy tax
14 obligations to the City.

15 (B) A Hosting Platform shall comply with the requirements of the Business
16 and Tax Regulations Code by, among any other applicable requirements, collecting and remitting all
17 required Transient Occupancy Taxes, and this provision shall not relieve a Hosting Platform of liability
18 related to an occupant's, resident's, Business Entity's, or Owner's failure to comply with the
19 requirements of the Business and Tax Regulations Code. A Hosting Platform shall maintain a record
20 demonstrating that the taxes have been remitted to the Tax Collector and shall make this
21 record available to the Department Tax Collector upon request. Additionally, a Hosting
22 Platform's failure to provide the required notice to users under subsection 41A.5(g)(4)(A) shall
23 be a violation of this Chapter.

24 (C) Any such violation of a Hosting Platform's responsibilities under this
25 subsection (g)(5)(A) shall subject the Hosting Platform to the administrative penalties and

1 enforcement provisions of this Chapter, including but not limited to payment of civil penalties a
2 fine payable to the Department of up to \$1,000 per day for the period of the failure to
3 comply provide notice or the failure to provide the required information to the Department, with
4 the exception that any violation related to failure to comply with the requirements of the
5 Business and Tax Regulations Code shall be enforced by the Treasurer/Tax Collector under
6 that Code.

7 (565) The exception set forth in this subsection (g) provides an exception only to the
8 requirements of this Chapter 41A. It does not confer a right to lease, sublease, or otherwise offer a
9 residential unit for Short-Term Residential Use where such use is not otherwise allowed by law, a
10 homeowners association agreement or requirements, any applicable covenant, condition, and
11 restriction, a rental agreement, or any other restriction, requirement, or enforceable agreement. All
12 Owners and residents are required to comply with the requirements of Administrative Code Chapter
13 37, the Residential Rent Stabilization and Arbitration Ordinance, including but not limited to the
14 requirements of Section 37.3(c).

15 (676) Department Contact Person. The Department shall designate a contact person
16 for members of the public who wish to file Complaints under this Chapter or who otherwise seek
17 information regarding this Chapter or Short-Term Residential Rentals. This contact person shall also
18 provide information to the public upon request regarding quality of life issues, including for example
19 noise violations, vandalism, or illegal dumping, and shall direct the member of the public and/or
20 forward any such Complaints to the appropriate City department.

21 (787) Notwithstanding any other provision of this Chapter, nothing in this Chapter
22 shall relieve an individual, Business Entity, or Hosting Platform of the obligations imposed by any and
23 all applicable provisions of state law and the San Francisco Municipal Code including but not limited
24 to those obligations imposed by the Business and Tax Regulations Code. Further, nothing in this
25 Chapter shall be construed to limit any remedies available under any and all applicable provisions of

1 state law and the San Francisco Municipal Code including but not limited to the Business and Tax
2 Regulations Code.

3 (98) Annual Department Reporting Requirement. Within one year of the
4 effective date of this ordinance and annually thereafter, the Department shall provide a report
5 to the Board of Supervisors regarding the Department's administration and enforcement of the
6 Short-Term Residential Rental program. The study shall make recommendations regarding
7 proposed amendments to this Chapter 41A necessary to reduce any adverse effects of the
8 Short-Term Residential Rental program.

9 **SEC. 41A.6. PROCEDURES FOR DETERMINING ADMINISTRATIVE PENALTIES.**

10 (a) **Notice of Complaint.** Within 4530 days of the filing of a Ceomplaint and upon
11 the Director's independent finding that there may be a violation of this Chapter, the Director
12 shall notify the Oowner by certified mail that the Oowner's Rresidential Uunit is the subject of
13 an investigation for an unlawful use and provide the date, time, and place of an administrative
14 review hearing in which the eOwner can respond to the Ceomplaint. If the Director finds there
15 is no violation of this Chapter or basis for an investigation for an unlawful activity, the Director
16 shall so inform the complainant within 30 days of the filing of the Complaint. If the Complaint
17 concerns the failure of a Hosting Platform to comply with the requirements of subsection
18 (g)(54)(A), within 4530 days of the filing of the Complaint and upon the Director's independent
19 finding that there may be a violation of this Chapter, the Director shall notify the Hosting
20 Platform by certified mail that the Hosting Platform is the subject of an investigation for failure
21 to comply with the requirements of this Chapter that subsection and provide the date, time,
22 and place of an administrative review hearing in which the Hosting Platform can respond to
23 the Complaint.

24 (b) **Administrative Review Hearings.** In the event the Director determines that an
25 administrative review hearing shall be conducted, the Director's appointed hearing officer will

1 hold an administrative review hearing within ~~60~~45 days of the ~~filing of the Complaint~~
2 Director's finding that there may be a violation of this Chapter 41A to review all information
3 provided by the Interested Party, members of the public, City staff, and the Owner or Hosting
4 Platform for the investigation and the hearing officer shall thereafter make a determination
5 whether the Owner or Hosting Platform has violated this Chapter.

6 (1) For hearings regarding alleged unlawful conversions, ~~N~~notice of the
7 hearing shall be conspicuously posted on the building that is the subject of the hearing. ~~The~~
8 ~~Owner shall state under oath at the hearing that the notice remained posted for at least~~
9 ~~seven calendar days prior the hearing.~~ The Director shall appoint a hearing officer to conduct
10 the hearing.

11 (2) Pre-hearing Submission. No less than ten ~~working~~ days prior to the
12 administrative review hearing, parties to the hearing shall submit written information to the
13 Director including, but not limited to, the issues to be determined by the hearing officer and
14 the evidence to be offered at the hearing. Such information shall be forwarded to the hearing
15 officer prior to the hearing along with any information compiled by the Director.

16 (3) Hearing Procedure. If more than one hearing is requested for ~~R~~residential
17 Units located in the same building at or about the same time, the Director shall consolidate
18 all of the hearings into one hearing. The hearing shall be ~~tape~~ recorded. Any party to the
19 hearing may at his or her own expense cause the hearing to be recorded by a certified court
20 reporter. Parties may be represented by counsel and shall have the right to cross-examine
21 witnesses. All testimony shall be given under oath. Written decisions and findings shall be
22 rendered by the hearing officer within ~~20~~30 ~~working~~ days of the hearing. Copies of the findings
23 and decision shall be served upon the parties by certified mail. A notice that a copy of the
24 findings and decision is available for inspection between the hours of 9:00 a.m. and 5:00 p.m.

Monday through Friday shall be posted by the Oowner or the Director in the building in the same location in which the notice of the administrative review hearing was posted.

(4) Failure to Appear. In the event the Oowner, authorized Hosting Platform representative, or an interested party fails to appear at the hearing, the hearing officer may nevertheless make a determination based on the evidence in the record and files at the time of the hearing, and issue a written decision and findings.

(5) Finality of the Hearing Officer's Decision and Judicial Review. The decision of the hearing officer shall be final. Within 20 days after service of the hearing officer's decision, any party may seek judicial review of the hearing officer's decision.

(6) Hearing Officer Decision and Collection of Penalties. ~~If any imposed administrative penalties and costs have not been deposited at the time of the Hearing Officer's decision~~Upon the Hearing Officer's decision, the Director may proceed to collect the penalties and costs pursuant to the lien procedures set forth in Subsection 41A.6(ed), consistent with the Hearing Officer's decision.

(7) Remedy of Violation. If the Hearing Officer determines that a violation has occurred, the Hearing Officer's Decision ~~should~~shall:

(A) Specify a reasonable period of time during which the Oowner, Business Entity, or Hosting Platform must correct or otherwise remedy the violation; ~~and~~

(B) ~~State that if the violation is not corrected or otherwise remedied within this period,~~Detail the amount of any administrative penalties the Oowner or Hosting Platform shall be may be required to pay the ~~administrative penalties~~as set forth in Subsection 41A.6(c); ~~and,~~

(C) For violations by Owners, Sstate that if the violation is not corrected or otherwise remedied within this period, the Department shall remove or prohibit the registration of the Residential Unit from the Short-Term Residential Registry for one year even if the

1 Residential Unit otherwise meets the requirements for Short-Term Residential Rental and may
2 prohibit the offending Owner from including such Residential Unit on any Hosting Platform for
3 a period of one year.

4 (8) If the Hearing Officer determines that no violation has occurred, the
5 determination is final.

6 (c) **Imposition of ~~Administrative~~ Penalties for Unabated Violations and**
7 **Enforcement Costs.**

8 (1) Administrative Penalties. If ~~the violation has continued unabated beyond~~
9 the time specified in the notice required by the Hearing Officer determines that a violation has
10 occurred, an administrative penalty ~~of~~ shall be assessed as follows:

11 (A) for the initial violation, not more than four times the standard hourly
12 administrative rate of ~~\$104.00~~ \$121.00 shall be charged for each unlawfully converted unit, or for
13 each identified failure of a Hosting Platform to comply with the requirements of subsection
14 (g)(54), per day from the day the unlawful use activity commenced notice of Complaint until
15 such time as the unlawful use activity terminates;

16 (B) for the second violation ~~within six months of any hearing held~~
17 pursuant to this Chapter by the same Owner(s), Business Entity, or Hosting Platform, not more
18 than eight times the standard hourly administrative rate of \$121.00 for each unlawfully converted unit,
19 or for each identified failure of a Hosting Platform to comply with the requirements of
20 subsection (g)(54), per day from the day the unlawful use activity commenced until such time as the
21 unlawful use activity terminates; and

22 (C) for the third and any subsequent violation ~~within 12 months of any~~
23 hearing held pursuant to this Chapter by the same Owner(s), Business Entity, or Hosting
24 Platform, not more than twelve times the standard hourly administrative rate of \$121.00 for each
25 unlawfully converted unit or for each identified failure of a Hosting Platform to comply with the

1 requirements of subsection (g)(54) per day from the day the unlawful use activity commenced
2 until such time as the unlawful use activity terminates.

3 (2) ~~Enforcement Costs. The Owner or Hosting Platform shall reimburse the~~
4 ~~City for the costs of enforcement of this Chapter, which shall include, but not be limited to,~~
5 ~~reasonable attorneys' fees.~~

6 ~~————(3)——~~ Prohibition on Registration and Listing Unit(s) on Any Hosting Platform. If the
7 violation has continued unabated beyond the time specified in the notice required by the
8 Hearing Officer. In the event of multiple violations, the Department shall remove the Residential
9 Unit(s) from the Registry for one year and include the Residential Unit(s) on a list maintained by
10 the Department of Residential Units that may not be listed by any Permanent Resident on any
11 Hosting Platform until compliance. Any Owner or Business Entity who continues to list a Residential
12 Unit in violation of this section shall be liable for additional administrative penalties and civil
13 penalties of up to \$1,000 per day of unlawful inclusion.

14 (d) **Notice of Continuing Violation and Imposition of Penalties.** The Director shall
15 notify the Owner or Hosting Platform by certified mail that of the violation has continued
16 unabated and that administrative penalties shall be imposed pursuant to this Chapter 41A.
17 The notice shall state the time of the continued existence of the violation and the resulting
18 imposition of penalties. Payment of the administrative penalties and enforcement costs shall
19 be made within 30 days of the certified mailed notice to the Owner or Hosting Platform. If the
20 administrative penalties and enforcement costs are not paid, the Director shall refer the matter
21 to the Treasurer/Tax Collector and/or initiate lien procedures to secure the amount of the
22 penalties and costs against the real property that is subject to this Chapter, under Article XX
23 of Chapter 10 of the *San Francisco* Administrative Code to make the penalty, plus accrued
24 interest, a lien against the real property regulated under this Chapter. Except for the release of
25 the lien recording fee authorized by Administrative Code Section 10.237, all sums collected by

1 the Tax Collector pursuant to this ordinance shall be held in trust by the Treasurer and
2 distributed as provided in Section 41A.5(d) of this Chapter deposited as set forth in subsection
3 (e) below.

4 (e) **Deposit of Penalties.** ~~Administrative penalties paid pursuant to this Chapter~~
5 ~~shall be deposited in the Mayor's Office of Housing, Housing Affordability Fund less the~~
6 ~~reasonable costs incurred by the City and County of San Francisco in pursuing enforcement~~
7 ~~under this Chapter 41A. If enforcement costs were imposed, such funds shall be distributed~~
8 ~~according to the purpose for which they were collected. Any fees and penalties collected~~
9 ~~pursuant to this Chapter 41A shall be deposited in the Department, which shall reimburse City~~
10 ~~departments and agencies, including the City Attorney's Office, for all costs and fees incurred~~
11 ~~in the enforcement of this Chapter 41A.~~

12
13 Section 3. The Planning Code is hereby amended by revising Sections 102.7, 102.13,
14 790.88 and 890.88, to read as follows:

15
16 **SEC. 102.7. DWELLING UNIT.**

17 A room or suite of two or more rooms that is designed for, or is occupied by, one family
18 doing its own cooking therein and having only one kitchen. A housekeeping room as defined
19 in the Housing Code shall be a dwelling unit for purposes of this Code. For the purposes of
20 this Code, a live/work unit, as defined in Section 102.13 of this Code, shall not be considered
21 a dwelling unit. Notwithstanding the foregoing, use of a dwelling unit as a Short-Term Residential
22 Rental in compliance with Administrative Code Section 41A.5 shall not alter the use type as a
23 residential use.

24 * * * *

1 **SEC. 102.13. LIVE/WORK UNIT.**

2 A live/work unit is a structure or portion of a structure combining a residential living
3 space for a group of persons including not more than four adults in the same unit with an
4 integrated work space principally used by one or more of the residents of that unit; provided,
5 however, that no otherwise qualifying portion of a structure which contains a Group A
6 occupancy under the San Francisco Building Code shall be considered a live/work unit.

7 Notwithstanding the foregoing, use of a live/work unit as a Short-Term Residential Rental in
8 compliance with Administrative Code Section 41A.5 shall not alter the use type as a live/work unit.

9 * * * *

10
11 **SEC. 790.88. RESIDENTIAL USE.**

12 A use which provides housing for San Francisco residents, rather than visitors,
13 including a dwelling unit or group housing, as defined in Subsections (a) and (b) below, or a
14 residential hotel, as defined in Section 790.47 of this Code and in Chapter 41 of the San
15 Francisco Administrative Code. Notwithstanding the foregoing, use of a dwelling unit as a Short-
16 Term Residential Rental in compliance with Administrative Code Section 41A.5 shall not alter the use
17 type as a residential use.

18 (a) Dwelling Unit. A residential use which consists of a suite of two or more rooms
19 and includes sleeping, bathing, cooking, and eating facilities, but has only one kitchen.

20 (b) Group Housing. A residential use which provides lodging or both meals and
21 lodging without individual cooking facilities for a week or more at a time in a space not defined
22 as a dwelling unit. Group housing includes, but is not limited to, a rooming house, boarding
23 house, guest house, lodging house, residence club, commune, fraternity and sorority house,
24 monastery, nunnery, convent, and ashram. It also includes group housing operated by a
25 medical or educational institution when not located on the same lot as such institution.

1 * * * *

2
3 **SEC. 890.88. RESIDENTIAL USE.**

4 A use which provides housing for San Francisco residents, rather than visitors,
5 including a dwelling unit or group housing, as defined in Subsections (a) and (b) below, or a
6 residential hotel, as defined in Section 890.47 of this Code and in Chapter 41 of the San
7 Francisco Administrative Code. Notwithstanding the foregoing, use of a dwelling unit as a Short-
8 Term Residential Rental in compliance with Administrative Code Section 41A.5 shall not alter the use
9 type as a residential use.

10 (a) Dwelling Unit. A residential use which consists of a suite of two or more rooms
11 and includes sleeping, bathing, cooking, and eating facilities, and has only one kitchen.

12 (b) Group Housing. A residential use which provides lodging or both meals and
13 lodging without individual cooking facilities for a week or more at a time in a space not defined
14 as a dwelling unit. Group housing includes, but is not limited to, a roominghouse, boarding
15 house, guest house, lodging house, residence club, commune, fraternity and sorority house,
16 monastery, nunnery, convent, and ashram. It also includes group housing operated by a
17 medical or educational institution when not located on the same lot as such institution.

18 (c) Single Room Occupancy (SRO) Unit. A dwelling unit or group housing room
19 consisting of no more than one occupied room with a maximum gross floor area of 350 square
20 feet and meeting the Housing Code's minimum floor area standards. The unit may have a
21 bathroom in addition to the occupied room. As a dwelling unit, it would have a cooking facility
22 and bathroom. As a group housing room, it would share a kitchen with one or more other
23 single room occupancy unit/s in the same building and may also share a bathroom. A single
24 room occupancy building (or "SRO" building) is one that contains only SRO units and non
25 nonaccessory living space.

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Section 4. Other Uncodified Provisions.

(a) 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.

(b) Operative Date. This ordinance shall become operative on February 1, 2015.

(c) Undertaking for the General Welfare. In enacting and implementing this ordinance, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it would be liable in money damages to any person who claims that such breach proximately caused injury.

(d) No Conflict with State or Federal Law. Nothing in this ordinance shall be interpreted or applied so as to create any requirement, power, or duty in conflict with any State or federal law.

(e) Severability. If any of section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions 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 would be subsequently declared invalid or unconstitutional.

(f) 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

1 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
2 additions, and Board amendment deletions in accordance with the "Note" that appears under
3 the official title of the ordinance.

4
5 APPROVED AS TO FORM:
6 DENNIS J. HERRERA, City Attorney

7 By: _____
8 MARLENA G. BYRNE
9 Deputy City Attorney

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