

San Francisco Administrative Code Chapter 37B **Midtown Park Apartments**

SEC. 37B.1. PURPOSE AND FINDINGS.

(Added by Ord. No. 213-20, App. 11/30/2020)

(a) Midtown Park Apartments (“Midtown”), located at 1415 Scott Street (Lot 31, Assessor’s Block 1099), is a City-owned apartment complex in the Western Addition neighborhood that opened in 1968 to provide housing to families displaced by urban renewal policies. From 1968 to 2014, a tenant board was empowered to make decisions regarding Midtown’s management and development, and Midtown tenants generally received rent increases commensurate with the city’s rent control laws.

(b) On or about January 31, 2014, the Mayor’s Office of Housing and Community Development (“MOHCD”) began to operate Midtown under a Rent Modification Program and Maximum Rent Schedule and set rents as a percentage of the tenant’s gross household income, while also considering factors such as median income for San Francisco, household size, and number of bedrooms. With rents being set under this program, the City’s Rent Ordinance (Administrative Code Ch. 37) did not apply, and some tenants began to experience rent increases not allowed under the Rent Ordinance. The Board of Supervisors finds it is appropriate and in the public interest to allow tenants who had been residing at Midtown to receive the benefits of the rent control provisions of the Rent Ordinance even while the MOHCD program remains in effect. This Chapter 37B shall not affect or impair the Rent Ordinance from applying if the City ceases ownership of Midtown and/or this MOHCD program of controlling and regulating the rents at Midtown.

SEC. 37B.2. INITIAL BASE RENT.

(Added by Ord. No. 213-20, App. 11/30/2020)

(a) For residential dwelling units at Midtown where one or more of the tenants has been occupying the unit since January 1, 2014 (each, a “Legacy Tenant”), the initial base rent shall be the lower of the following: (1) the rent that was in effect for the unit on May 1, 2014 (the “Chapter 37 Rent”); or (2) the rent as calculated under MOHCD’s then-existing Rent Modification Program for Midtown.

(b) For residential dwelling units at Midtown without a Legacy Tenant, the initial base rent shall be the rent in effect at the time the tenancy commenced as determined by MOHCD’s then-current published maximum affordable rent schedule, or as determined by any successor affordable rent schedule or program for Midtown (either, the “Percentage Rent”).

SEC. 37B.3. RENT INCREASE LIMITATIONS.

(Added by Ord. No. 213-20, App. 11/30/2020)

(a) After the establishment of initial base rent, the maximum allowable rent for a tenant in occupancy at Midtown shall be either of the following: (1) for Legacy Tenants paying Chapter 37 Rent, the initial base rent plus any annual rent increases that may be allowed under Administrative Code Section 37.3(a)(1)-(2) as it may be amended from time to time; or (2) for tenants paying Percentage Rent as initial base rent, as well as any Legacy Tenants who have elected to pay Percentage Rent as set forth in Section 37B.4, the Percentage Rent under the then-current Maximum Rent Schedule published each year, which may include a rent increase from the previous year.

(b) MOHCD shall determine whether any Midtown tenants paid rent between May 1, 2014 and the effective date of the ordinance in Board of Supervisors File No. 200518 enacting this Chapter 37B that exceeded the rent allowed under this Chapter 37B during that time period. If any such excess payments occurred, MOHCD shall credit the excess amounts against the

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tenant's future rent. MOHCD shall determine the base rents, applicable rent increases, and shall credit any excess amounts, by no later than February 1, 2021.

SEC. 37B.4. OPTION FOR LEGACY TENANTS.

(Added by Ord. No. 213-20, App. 11/30/2020)

(a) A Legacy Tenant who is paying Chapter 37 Rent as the initial base rent shall at any time in the future have a one-time option to elect to switch from the Chapter 37 Rent to Percentage Rent going forward, but such Legacy Tenant shall have no option to revert to the Chapter 37 Rent after making the election. If a Legacy Tenant elects to change from Chapter 37 Rent to Percentage Rent, the Legacy Tenant must notify MOHCD (or its successor or designee) in writing, and the Percentage Rent shall take effect within 60 days.

SEC. 37B.5. IMPLEMENTATION; INCOME VERIFICATION.

(Added by Ord. No. 213-20, App. 11/30/2020)

(a) MOHCD may adopt rules and regulations consistent with this Chapter 37B to manage the Midtown property, and shall develop procedures to verify Legacy Tenant status, and to set the rent consistent with this Chapter. Disputes regarding the allowable rent for a Midtown unit may be appealed to the Rent Board via a rental arbitration petitions as set forth in Chapter 37.

(b) A Legacy Tenant shall not be required to show proof of income in order to be charged the Chapter 37 Rent. However, if MOHCD (or its successor or designee) informs the Legacy Tenant in writing that it needs to verify the Legacy Tenant's household income for compliance with a current financing program or financing application, the Legacy Tenant shall provide such information. MOHCD shall use such information for compliance purposes only, and shall keep such information confidential to the extent permitted by law.