

[Administrative Code - Definition of Tourist or Transient Use under Hotel Conversion Ordinance; Amortization Period]

Ordinance amending the Administrative Code to add a definition of Tourist or Transient Use under the Residential Hotel Unit Conversion and Demolition Ordinance; to set the term of tenancy for such use at less than 7 days, for two years after the effective date of this ordinance, and, after that two-year period, at less than 30 days; to provide an amortization period applicable to hotels currently regulated under the ordinance; to provide a process by which the owners or operators of regulated hotels can request that the amortization period be longer, on a case-by-case basis; to amend the definition of Permanent Resident, from a person who occupies a room for at least 32 days to one who occupies a room for at least 30 days; and affirming the Planning Department's determination under the California Environmental Quality Act.

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

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

Section 1. Environmental Findings.

The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 220815 and is incorporated herein by reference. The Board affirms this determination.

1 Section 2. General Findings. The Board of Supervisors finds that this ordinance is
2 necessary to effectuate the general purpose of the Residential Hotel Unit Conversion and
3 Demolition Ordinance, which is “to benefit the general public by minimizing adverse impact on
4 the housing supply and on displaced low income, elderly, and disabled persons resulting from
5 the loss of residential hotel units through their conversion and demolition.” In the past, many
6 residential hotel units have been rented by tourists, rather than residents. This ordinance
7 seeks to ensure that residential rooms remain available for the stated purpose of the
8 Residential Hotel Unit Conversion and Demolition Ordinance, while carefully balancing the
9 interests of hotel owners and operators.

10
11 Section 23. Chapter 41 of the Administrative Code is hereby amended by revising
12 Sections 41.4 and 41.20, adding new Section 41.23, and renumbering existing Section 41.23
13 as Section 41.24, to read as follows:

14
15 **SEC. 41.4. DEFINITIONS.**

16 * * * *

17 Conversion. The change or attempted change of the use of a residential unit to a
18 Tourist or Transient ~~tourist~~ use, or the elimination of a residential unit, or the voluntary
19 demolition of a residential hotel. However, a change in the use of a residential hotel unit into a
20 non-commercial use which serves only the needs of the permanent residents, such as a
21 resident's lounge, community kitchen, or common area, shall not constitute a conversion
22 within the meaning of this Chapter 41, provided that the residential hotel owner establishes
23 that eliminating or re-designating an existing tourist unit instead of a residential unit would be
24 infeasible.

25 * * * *

1 Permanent Resident. A person who occupies a guest room for at least 30 ~~32~~
2 consecutive days.

3 * * * *

4 Tourist or Transient Use. For two years after the effective date of Ordinance No~~36-23~~
5 Board of Supervisors File No. 190946220815, "Tourist or Transient Use" shall mean any use of a
6 guest room for less than a 7-day term of tenancy by a party other than a Permanent Resident. After
7 that two-year period, "Tourist or Transient Use" shall mean any use of a guest room for less than a
8 30-day term of tenancy by a party other than a Permanent Resident, unless a hotel owner or operator
9 demonstrates, in accordance with the process and factors described in Section 41.23, that a longer time
10 is necessary to recover reasonable investments in the owner or operator's hotel.

11 * * * *

12 **SEC. 41.20. UNLAWFUL CONVERSION; REMEDIES; FINES.**

13 (a) Unlawful Actions. It shall be unlawful to:

14 (1) Change the use of, or to eliminate a residential hotel unit or to demolish a
15 residential hotel unit except pursuant to a lawful abatement order, without first obtaining a
16 permit to convert in accordance with the provisions of this Chapter 41;

17 (2) Rent any residential unit for Tourist or Transient Use ~~a term of tenancy less than~~
18 ~~seven days~~ except as permitted by Section 41.19 of this Chapter;

19 (3) Offer for rent for ~~nonresidential use or t~~ Tourist or Transient u ~~Use~~ a residential
20 unit except as permitted by this Chapter.

21 * * * *

22 **SEC. 41.23. AMORTIZATION.**

23 (a) A hotel owner or operator may seek a reasonable extension of the time during which the
24 term "Tourist or Transient Use" means "any use of a guest room for less than a 7-day term of tenancy
25

1 by a party other than a Permanent Resident” for a period longer than the two-year period set forth in
2 Section 41.4, through the process described in subsections (b) and (c), below.

3 (b) The owner or operator may initiate an extension by submitting a request to the Building
4 Inspection Commission (“Commission”) six months prior to the expiration of the two-year period set
5 forth in Section 41.4. Commission staff shall amply publicize this deadline, to give notice to interested
6 hotel owners of the provisions of this Section 41.23.

7 (c) The Commission shall consider the request at a public hearing and decide whether an
8 extension (for the time requested, or for a different period of time) would be reasonable, according to
9 the following factors:

10 (1) Total cost of the hotel owner or operator’s investments in the hotel;

11 (2) Length of time those investments have been in place;

12 (3) Suitability of the investments for residential hotel use; and

13 (4) Any other factors relevant to determining the owner or operator’s reasonable return
14 on investments.

15 **SEC. 41.234. CONSTRUCTION.**

16 * * * *

17
18 Section 34. Effective Date. This ordinance shall become effective 30 days after
19 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
20 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
21 of Supervisors overrides the Mayor’s veto of the ordinance.

22
23 Section 45. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
24 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
25 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 DAVID CHIU, City Attorney

7 By: /s/ Kristen A. Jensen
8 KRISTEN A. JENSEN
9 Deputy City Attorney

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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 220815

Date Passed: March 14, 2023

Ordinance amending the Administrative Code to add a definition of Tourist or Transient Use under the Residential Hotel Unit Conversion and Demolition Ordinance; to set the term of tenancy for such use at less than seven days, for two years after the effective date of this Ordinance, and, after that two-year period, at less than 30 days; to provide an amortization period applicable to hotels currently regulated under the Ordinance; to provide a process by which the owners or operators of regulated hotels can request that the amortization period be longer, on a case-by-case basis; to amend the definition of Permanent Resident, from a person who occupies a room for at least 32 days to one who occupies a room for at least 30 days; and affirming the Planning Department's determination under the California Environmental Quality Act.

February 13, 2023 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

February 13, 2023 Land Use and Transportation Committee - CONTINUED AS AMENDED

February 27, 2023 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

February 27, 2023 Land Use and Transportation Committee - REFERRED WITHOUT RECOMMENDATION AS AMENDED

March 07, 2023 Board of Supervisors - PASSED ON FIRST READING

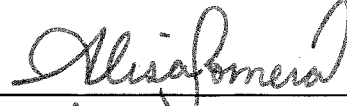
Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

March 14, 2023 Board of Supervisors - FINALLY PASSED

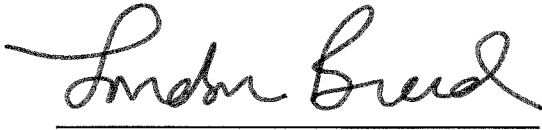
Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 220815

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
3/14/2023 by the Board of Supervisors of the
City and County of San Francisco.



f Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

3/24/23

Date Approved