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LEGAL ALERT! To All San Francisco Rental Property Owners

Just Cause Now Required to Remove Housing Services

Ordinance No. 178-06 was approved by the Board of Supervisors and became law on August 8, 2006. The amendment to the San Francisco Rent Ordinance requires a landlord to have just cause to sever certain housing services such as parking or storage space from a tenancy. San Francisco landlords should seek legal advice *before* asking a tenant to vacate a parking or storage space.

Change in the Law

Under prior law, landlords wishing to remove certain housing services such as a garage space or storage locker would give a 30 day notice of change in terms of tenancy with a corresponding reduction in rent. While disputes of the amount of the rent reduction were common, the Rent Board permitted landlords to remove the service without question. Under the new law, a landlord must have just cause to sever a housing service.

Details of the Just Cause for Removal From Housing Service Ordinance

There are 4 parts to the new law:

(1) “Garage facilities, parking facilities, driveways, storage spaces, laundry rooms, decks, patios, or gardens on the same lot, or kitchen facilities or lobbies in single room occupancy (SRO) hotels” are the housing services, privileges, furnishings or facilities covered by the new law.

(2) Where these services, etc. are “supplied in connection with the use or occupancy of a unit”, the new law triggered. Frequently tenants simply take over a parking or storage space. There will be disputes as to whether a landlord *supplies* a service when in fact the tenant just took it.

(3) These services “may not be severed from the tenancy by the landlord without just cause as required by Rent Ordinance Section 37.9(a).” The problem for landlords is that there may never be just cause to “sever” a housing service because Section 37.9(a) is intended to cover an

entire dwelling unit and applying it to services or privileges is nonsensical. The Rent Board is in the process of writing regulations to address this issue. Note that landlords are only prohibited from **severing**. Reducing or restricting a housing service is permitted so long as there is a corresponding rent reduction. Consider reducing services rather than severing them.

(4) “Any severance, reduction, or removal permitted . . . shall be offset by a corresponding reduction in rent. Either a landlord or a tenant may file a petition with the Rent Board to determine the amount of the rent reduction.” Consult with an attorney before filing a petition.

The information contained in this alert is general and not intended to be exhaustive. Instead, it is provided to alert landlords to an important change in the law. Consult with an attorney for legal advice on any particular matter. You may contact an attorney at Wiegel & Fried, LLP at (415) 552-8230
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