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[Revising Municipal Code provisions that authorize liens to conform to uniform lien procedures and changes in State law.]

Ordinance amending the San Francisco Municipal Code by amending Chapter 37A of the San Francisco Administrative Code by amending Section 37A.4; amending Chapter 38 of the San Francisco Administrative Code by amending Sections 38.10 and 38.11, deleting Sections 38.12 through 38.16 and renumbering existing Sections 38.17 and 38.18 as 38.12 and 38.13; amending Chapter 41 of the San Francisco Administrative Code by amending Section 41.20; amending Article 1 of the San Francisco Fire Code by amending Section 107.1; amending Article 11 of the San Francisco Health Code by amending Section 609.3; amending Article 21 of the San Francisco Health Code by amending Sections 1136 and 1175.1; amending Article 24 of the San Francisco Health Code by amending Section 1412; amending Article 25 of the San Francisco Health Code by amending Sections 1512 and 1513; amending Article 26 of the San Francisco Health Code by amending Section 1637; amending Article 4 of the San Francisco Public Works Code by amending Sections 104.1 and 134; amending Article 15 of the San Francisco Public Works Code by amending Section 724.5; and amending Article 3 of the San Francisco Planning Code by amending Section 313.9 to eliminate references to unauthorized special assessment liens, establish lien procedures in accordance with state law and make miscellaneous clerical corrections.

Note:

Additions are *italic*, *Times New Roman*; deletions

are *strikethrough italie*, *Times New Roman*. Board amendment additions are <u>double underlined</u>. Board amendment deletions are strikethrough normal.

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

Section 1. Chapter 37A of the San Francisco Administrative Code is hereby amended by amending Section 37A.4 to read as follows:

SEC. 37A.4. IMPOSITION OF THE FEE. The owner of each residential unit in San Francisco shall pay annually to the City and County of San Francisco a Residential Rent Stabilization and Arbitration fee to be calculated by the Controller as provided in Section 37.A.2(d) above. The Tax Collector shall bill the fee to the owners of all residential units as a special assessment on the property tax bill. All laws applicable to the collection and enforcement of ad valorem property taxes shall be applicable to the collection and enforcement of the Residential Rent Stabilization and Arbitration fee special assessment, except that any lien arising from nonpayment of the fee shall have the force, effect and priority of a judgment lien.

Section 2. Article 38 of the San Francisco Administrative Code is hereby amended by amending Sections 38.10 and 38.11, deleting Sections 38.12 through 38.16, and renumbering existing Sections 38.17 and 38.18 as 38.12 and 38.13, to read as follows:

SEC. 38.10. NONPAYMENT, RECORDATION OF NOTICE OF FEE AND NOTICE OF DELINQUENCY, ADDITIONAL REQUEST; NOTICE OF ASSESSMENT OF INTEREST AND INSTITUTION OF LIEN PROCEEDINGS. A. Upon the General Manager's determination that a development is within the transit impact development fee boundaries as defined by Section 38.1(d) of this ordinance, he may cause the County Recorder to record a notice that such development is subject to the Transit Impact Development Fee. He shall serve or mail a copy of such notice to the persons liable for payment of the fee and the owners of the real property described in the notice. The notice shall include (1) a description of the real property subject to the fee; (2) a statement that the development is within the transit impact development fee downtown area boundaries as defined by Section 38.1(d) of this ordinance and is subject to the imposition of the fee; and (3) a statement that the amount of the fee to which the building is subject is determined pursuant to San Francisco Administrative Code Section 38.8 and related provisions of said ordinance.

B. Payment of the transit impact development fee imposed by this ordinance is

delinquent if (1) in the case of a fee not payable in installments the fee is not paid within 30 days of request for payment; (2) in the case of a fee payable in installments the fee installment is not paid within 30 days of the date fixed for payment.

- C. Where the transit impact development fee, not payable in installments pursuant to Section 38.4 hereof is not paid within 30 days of request for payment and where the transit impact development fee is payable in installments pursuant to Section 38.4 of this ordinance and any installment is not paid within 30 days of the date fixed for payment.
- (1) The General Manager or his designee may cause the County Recorder to record a notice of delinquent transit impact development fee which shall include: (a) The amount of the delinquent fee; (b) the amount of the entire fee as reflected on the final determination and a statement of whether the fee is payable in installment; (c) the fee interest and penalty the due; (d) the interest and penalties that shall accrue on the delinquent fee if not promptly paid; (e) a description of the real property subject to the fee; (f) notification that if the fee is not promptly paid proceedings will be instituted before the Board of Supervisors to impose a lien for the unpaid fee together with any penalties and interest against the real property described in the delinquency notice; (4)(g) notification of the fee payer's right to appeal the delinquency determination to the Public Utilities Commission within 15 days of the notice to the fee payer.
- (2) Where the General Manager determines to record a notice of delinquency he shall also serve or mail the notice of delinquent transit impact development fee to the persons liable for the fee and to the owners of the real property described on the notice.
- (3) Where a notice of transit impact development fee delinquency has been recorded and the delinquent fee is paid or the General Manager's determination of delinquency is reversed by appeal to the Public Utilities Commission or the delinquency is otherwise cured, the General Manager shall promptly cause the County Recorder to record a

notice that the transit impact development fee delinquency has been cured. Said notice shall include: (a) Description of the real property affected; (b) the book and page number of the county record wherein the notice of delinquency was recorded; (c) the date the notice of delinquency was recorded; (d) notification that the delinquency reflected on the notice of delinquency was cured and the date of cure; (e) the amount of the entire fee as reflected on the final determination; (f) if applicable, the amount of the fee paid to effect the cure; and (g) if applicable, a statement that the fee was payable in installments and specification of the delinquency installments cured; (h) if applicable, the amount of the fee paid to effect the cure.

- (4) The General Manager shall serve or mail the notice that the transit impact development fee delinquency has been cured, referred to in Section 38.10B(3) of this ordinance, to the persons liable for the fee and to the owners of the real property described in such notice.
- D. Where the transit impact development fee, not payable in installments pursuant to Section 38.4 hereof is not paid within 30 days of request for payment and where the transit impact development fee is payable in installments pursuant to Section 38.4 of this ordinance and the installment is not paid within 30 days of the date fixed for payment, the General Manager or his designee shall mail an additional request for payment and notice to the owner stating the following:
- (1) If the amount due is not paid within 30 days of the date of mailing the additional request and notice, interest at the legal rate shall be assessed upon the fee or installment due.
- (2) With respect to both noninstallment and installment fees, if the account is not current within 60 days of the date of mailing the additional request and notice, the General Manager shall institute proceedings to record a special assessment lien for the entire balance and any accrued interest against the property upon which the fee is owed.

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E. Thirty days after mailing the additional request for payment the General Manager may assess interest as specified in paragraph 38.10(A)(C) (1) above. Sixty days after mailing the additional request for payment and notice the General Manager may institute lien proceedings as specified in *Paragraph 38.10A.C.(2) above Section 38.11*.

SEC. 38.11. LIEN PROCEEDINGS; NOTICE. If payment of the fee not payable in installments is not received within 30 days following mailing of the additional request and notice or if with respect to installment payments the account is not brought current within 60 days of the mailing of the additional request and notice, the General Manager of the Public Utilities Commission shall initiate proceedings in accordance with Article XX of Chapter 10 of the San Francisco Administrative Code, by reporting the delinquency to the Board, to make the entire unpaid balance of the Transit Impact Development Fee, including interest on the unpaid fee of installments a special assessment lien against the property served. Such charges against delinquent accounts shall be reported to the Board at least once each year. Except for the release of lien recording fee authorized by Administrative Code Section 10.237, all sums collected by the Tax Collector pursuant to this ordinance shall be held in trust by the Treasurer and distributed as provided in Section 38.6 of this Chapter. Said report for each such delinquent account shall contain the owner's name, the amount due, including interest, amount of the unpaid balance, including interest on any delinquent installment, and the description of the parcel served. The General Manager of the Public Utilities Commission shall also recommend which of such delinquent accounts should be exempted from the lien procedure or other sanctions because of the small amounts involved, or because another debt collection procedure is more appropriate or for other appropriate reasons. The descriptions of the parcels shall be those used for the same parcels on the Assessor's map books for the current year. Upon receipt of such report the Board shall fix a time, date and place for hearing the report and any protest or objections thereto, and shall cause notice of the hearing to be mailed to each owner of the parcels of real property described in the report not less than 10 days prior to the date of

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Supervisor Kaufman **BOARD OF SUPERVISORS**

hearing.

SEC. 38.12. HEARING. At the time fixed for consideration of the report the Board shall hear it with any objections of the owners of the parcels liable to be assessed for delinquent accounts. The Board may make such revisions, corrections or modifications of the report as it may deem just; and in the event that the Board is satisfied with the correctness of the report (as submitted or as revised, corrected or modified), it shall be confirmed. The decision of the Board on the report and on all protests or objections thereto shall be final and conclusive; provided, however, any delinquent account may be removed from the report by payment in full at any time prior to confirmation of the report. The Clerk of the Board shall cause the confirmed report to be verified in form sufficient to meet recording requirements.

SEC. 38.13. COLLECTION OF ASSESSMENT. Upon confirmation of the report by the Board, the delinquent charges contained therein shall constitute a special assessment against the parcels to which the services were rendered.

Each such assessment shall be subordinate to all existing special assessment liens previously imposed upon such parcels and paramount to all other liens except those for state, county and municipal taxes with which it shall be upon parity. The lien shall continue until the assessment and all interest and penalties due and payable thereon are paid. All laws applicable to the levy, collection and enforcement of municipal taxes shall be applicable to said special assessment.

SEC. 38.14. RECORDATION; CHARGES. The Clerk of the Board shall cause the confirmed and verified report to be recorded in the County Recorder's office and the special assessment lien on each parcel of property described in said report shall carry additional charges for administrative expenses of \$50 or 10 percent of the amount of the unpaid balance, including penalty, whichever is higher; and a rate of one and one half percent per full month compounded monthly from the date of the recordation of the lien on all charges due.

SEC. 38.15. FILING WITH CONTROLLER AND TAX COLLECTOR: DISTRIBUTION

OF PROCEEDS. The Clerk of the Board shall file a certified copy of each confirmed report with the Controller and Tax Collector within 10 days after confirmation of the report, whereupon it shall be the duty of said officers to add the amount of said assessment to the next regular bill for taxes levied against said parcel or parcels of land for municipal purposes, and thereafter said amount shall be collected at the same time and in the same manner as City and County taxes are collected, and shall be subject to the same procedure under foreclosure and sale in case of delinquency as provided for property taxes of the City and County of San Francisco.

Except for the release of the lien recording fee authorized in Section 38.16, all sums collected by the Tax Collector pursuant to this ordinance shall be held in trust by the Treasurer and distributed as

SEC. 38.16. RELEASE OF LIEN, RECORDING FEE. On payment to the Tax Collector of the special assessment, the Tax Collector shall cause to be recorded a release of lien with the County Recorder, and from the sum collected pursuant to Section 38.15, shall pay to the County Recorder a recording fee of \$6.

SEC. 38.17 38.12. MANNER OF GIVING NOTICES. Any notice required to be given hereunder by the Board of the Public Utilities Commission to an owner shall be sufficiently given or served upon the owner for all purposes hereunder if personally served upon the owner or if deposited, postage prepaid, in a post office letter box addressed in the name of the owner at the official address of the owner maintained by the Tax Collector of the City and County for the mailing of tax bills; or, if no such address is available, to the owner at the address of the real property to which the public transit service was provided.

SEC. 38.18 38.13. **SEVERABILITY.** The provisions of this ordinance shall not apply to any person, association, corporation or to any property as to whom or which it is beyond the power of the City and County of San Francisco to impose the fee herein provided. If any sentence, clause, section or part of this ordinance, or any fee imposed upon any person or

provided in Section 38.6 of this Chapter.

entity is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall affect only such clause, sentence, section or part of this ordinance, or person or entity; and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this ordinance, or its effect on other persons or entities. It is hereby declared to be the intention of the Board of Supervisors of the City and County that this ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part of this ordinance not been included herein; or had such person or entity been expressly exempted from the application of this ordinance. To this end the provisions of this ordinance are severable.

Section 3. Article 41 of the San Francisco Administrative Code is hereby amended by amending Section 41.20, to read as follows:

SEC. 41.20. UNLAWFUL CONVERSION; REMEDIES; FINES. (a) Unlawful Actions. It shall be unlawful to:

- (1) Change the use of, or to eliminate a residential hotel unit or to demolish a residential hotel unit except pursuant to a lawful abatement order, without first obtaining a permit to convert in accordance with the provisions of this Chapter;
- (2) Rent any residential unit for a term of tenancy less than seven days except as permitted by Section 41.19 of this Chapter;
- (3) Offer for rent for nonresidential use or tourist use a residential unit except as permitted by this Chapter.
- (b) **Hearing for Complaints of Unlawful Conversions.** Upon the filing of a complaint by an interested party that an unlawful conversion has occurred and payment of the required fee, the Superintendent of the Bureau of Building Inspection shall schedule a hearing pursuant to the provisions of Section 41.11(b). The complainant shall bear the burden of

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proving that a unit has been unlawfully converted. The hearing officer shall consider, among others, the following factors in determining whether a conversion has occurred:

- (1) Shortening of the term of an existing tenancy without the prior approval of the permanent resident;
- (2)Reduction of the basic services provided to a residential unit intended to lead to conversion. For the purpose of this section, basic services are defined as access to common areas and facilities, food service, housekeeping services and security;
- (3) Repeated failure to comply with order of the Bureau of Building Inspection or the Department of Public Health to correct code violations with intent to cause the permanent residents to voluntarily vacate the premises;
- (4)Repeated citations by the Superintendent of the Bureau of Building Inspection or the Department of Public Health $\frac{\partial f}{\partial r}$ code violations;
- (5)Offer of the residential units for nonresidential use or tourist use except as permitted in this Chapter;
- (6)Eviction or attempts to evict a permanent resident from a residential hotel on grounds other than those specified in Sections 37.9(a)(1) through 37.9(a)(8) of the San Francisco Administrative Code except where a permit to convert has been issued;
- (7)Repeated posting by the Superintendent of the Bureau of Building Inspection of notices of apparent violations of this Chapter pursuant to Section 41.11(c) above.
- (c) Civil Penalties. Where the hearing officer finds that an unlawful conversion has occurred, the Superintendent shall impose a civil penalty of three times the daily rate per day for each unlawfully converted unit from the day the complaint is filed until such time as the unit reverts to its authorized use. The daily rate shall be the rate unlawfully charged by the hotel owner or operator to the occupants of the unlawfully converted unit. The Superintendent may

also impose penalties upon the owner or operator of the hotel to reimburse City or complainant for the costs of enforcement, including reasonable attorneys' fees, of this Chapter. The hearing officer's decision shall notify the parties of this penalty provision and shall state that the Superintendent of the Bureau of Building Inspection is authorized to impose the appropriate penalty by written notification to both the owner and operator, requesting payment within 30 days. If the penalty imposed is not paid, a lien to secure the amount of the penalty will be recorded against the real property pursuant to the provisions of Section 41.20(d) of this Chapter.

(d) Lien Proceedings.

Sections 41.10(d), 41.10(f), 41.11(f) or 41.20(c) is not received within the required time period the Superintendent of the Bureau of Building Inspection shall initiate proceedings under Article XX of Chapter 10 of the Administrative Code to make the penalty, plus accrued interest, a special assessment lien against the red real property regulated under this Chapter. Except for the release of lien recording fee authorized by Administrative Code Section 10.237, all sums collected by the Tax Collector pursuant to this section shall be held in trust by the Treasurer and distributed as provided in Section 41.8(e) of this Chapter. The Superintendent shall prepare a delinquency report for the Board of Supervisors. For each delinquent account, the report shall contain the owner's name, the amount due, including interest, and a description of the real property. The report shall also indicate which of the delinquent accounts should be exempted from the lien procedure because of the small amounts involved, or because another debt collection procedure is more appropriate. The descriptions of the parcels shall be those used for the same parcels on the Assessor's map books for the current year.

(2)—Notice. Five days prior to forwarding the delinquency report to the Board of

Supervisors, the Superintendent shall mail a copy of the report to any affected owner and shall post the report at the affected properties. Upon receipt of the report, the Board of Supervisors shall fix a time,

date and place for hearing the report and any protest or objections thereto, and shall mail notice of the hearing to each owner of real property described in the report not less than 10 days prior to the date of hearing.

(3) Hearing and Confirmation. The Board of Supervisors shall hear the report with opportunity for any protests or objections of the owners of the real property liable to be assessed for delinquent accounts. The Board may make such revisions, corrections or modifications of the report as it may deem just, after which, by motion or resolution, it shall be confirmed. The Board's decision on the report on all protests or objections thereto shall be final and conclusive; provided, however, that any delinquent account may be removed from the report by payment in full at any time prior to confirmation of the report. The Clerk of the Board shall cause the confirmed report to be verified in form sufficient to meet recording requirements.

(4) Collection of Assessment. Upon confirmation of the report by the Board, the delinquent charges contained herein shall constitute a special assessment against the property listed in the report. Each such assessment shall be subordinate to all existing special liens previously imposed upon such property and paramount to all other liens except those for state, county and municipal taxes with which it shall be in parity. The lien shall continue until the assessment and all interest due and payable thereon are paid. All laws applicable to the levy, collection and enforcement of municipal taxes shall be applicable to said special assessment.

(5)—Recordation; Charges. The Clerk of the Board shall cause the confirmed and verified report to be recorded in the County Recorder's Office within 10 days of its confirmation. The special assessment lien on each parcel of property described in said report shall carry additional charges for administrative expenses of \$100 or 10 percent of the amount of the unpaid balance, including interest, whichever is higher.

(6) Filing with Controller and Tax Collector: Distribution of Proceeds. After the report is recorded, the Clerk of the Board shall file a certified copy with the Controller and Tax

Collector, whereupon it shall be the duty of said officers to add the amount of said assessment to the next regular bill for taxes levied against said parcel or parcels of land for municipal purposes, and thereafter said amount shall be collected at the same time and in the same manner as ordinary City and County taxes are collected, and shall be subject to the same penalties and the same procedure under foreclosure and sale in case of delinquency as provided for property taxes of the City and County of San Francisco. Except for the release of lien recording fee authorized in Subsection (7) below, all sums collected by the Tax Collector pursuant to this section shall be held in trust by the Treasurer and distributed as provided in Section 41.8(e) of this Chapter.

(7) Release of Lien; Recording Fee. Upon payment to the Tax Collector of the special assessment, the Tax Collector shall cause a Release Lien to be recorded with the County Recorder, and from the sum-collected pursuant to Subsection (6) above, shall pay to the County Recorder a recording fee of \$6.00.

(e) **Civil Action**. An interested party may institute a civil proceeding for injunctive relief and damages. The Superintendent of the Bureau of Building Inspection may institute a civil proceeding for injunctive relief. Counsel for the interested party shall notify the City Attorney's office of the City and County of San Francisco of any action filed pursuant to this section. In determining whether an unlawful conversion has occurred, the court may consider, among other factors, those enumerated in Section 41.20(b) of this Chapter. The interested party instituting a civil proceeding, or the City suing to enforce this Chapter, if prevailing parties, shall be entitled to the costs of enforcing this Chapter, including reasonable attorney's fees, pursuant to an order of the Court.

Section 4. Article 1 of the San Francisco Fire Code is hereby amended by amending Section 107.1, to read as follows:

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Supervisor Kaufman

BOARD OF SUPERVISORS

SECTION 107 [For SF] — LIENS AND PENALTIES

107.1 [For SF] Lien Proceedings. When required by this code, the chief shall initiate special assessment lien proceedings pursuant to the provisions of Article XX₇ of Chapter 10 of the San Francisco Administrative Code-by reporting the delinquency to the board of supervisors. The entire unpaid balance of the costs, including any penalty and interest on the unpaid balance, shall be made a special assessment lien against the responsible party's property. Such charges against delinquent accounts shall be reported to the board at least once each year. The chief shall advise the board which of such delinquent accounts should be exempted from the lien procedure because of the small amounts involved, or because another procedure is more appropriate.

Section 5. Article 11 of the San Francisco Health Code is hereby amended by amending Section 609.3 to read as follows:

SEC. 609.3. LIEN PROCEDURES INITIATED UPON NONPAYMENT. If the property owner fails to pay any amount determined due following a hearing within the time required by Section 609.2, the Director of Public Health or a designee shall initiate a special assessment lien proceeding pursuant to the provisions of Article XX_T of Chapter 10 (beginning with Section 10.230) of the San Francisco Administrative Code, by reporting the delinquency to the Board of Supervisors. Notwithstanding anything to the contrary in Article XX of Chapter 10, pursuant to Section 38773.5 of the California Government Code, the Board may order that the amount of the lien be specially assessed against the parcel. Upon such an order, the The entire unpaid balance of the costs, including any penalty and interest payments on the unpaid balance to the date that the Department reports to the Board shall be made a included in the special assessment lien against the property. The Department shall report charges against delinquent accounts to the Board of Supervisors at least once each year. The Director shall also indicate which of such delinquent accounts should be exempted from the lien procedure because the lien procedure is inappropriate. At the time the special assessment is imposed, the Director shall

give notice to the property owner by certified mail, and shall inform the property owner that the property may be sold by the Tax Collector for unpaid delinquent assessments after three years. The assessment may be collected at the same time and in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and procedure and sale in case of delinquency as provided for ordinary municipal taxes. All laws applicable to the levy, collection and enforcement of ordinary municipal taxes shall be applicable to the special assessment. However, if any real property to which a cost of abatement relates has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of taxes would become delinquent, then the cost of abatement shall not result in a lien against the real property but instead shall be transferred to the unsecured roll for collection.

Section 6. Article 21 of the San Francisco Health Code is hereby amended by amending Sections 1136 and 1175.1, to read as follows:

SEC. 1136. SPECIAL ASSESSMENT LIENS. (a) Cost and charges incurred by the City by reason of the cleanup and abatement of an unauthorized release; abatement of any violation of this Article, including but not limited to monitoring and inspection costs; a delinquency in the payment of a bill for fees applicable under this section in excess of 30 days; and any final administrative civil penalties assessed against a person or business for violations of this Article shall be an obligation owed to the City by the owner of the property where the hazardous materials were handled or the person or business against whom the final administrative civil penalty was assessed. Such obligation may be collected by means of the imposition of a lien against the property of the owner of the property where the hazardous materials were handled or of the person or business against whom the final administrative civil penalty was assessed. The City shall mail to the owner of the property where the hazardous materials were handled and to the person or business against whom the final administrative civil penalty was assessed (if different

from the owner of the property) a notice of the amounts due and a warning that # lien proceedings will be recorded-initiated against the property if the amounts due are not paid within 30 days after mailing of the notice.

- (b) Special assessment I iens shall be created and assessed in accordance with the requirement of Article XX of Chapter 10 of the San Francisco Administrative Code (commencing with Section 10.230).
- **SEC. 1175.1. DELINQUENT FEES.** All fees shall be due and payable within 30 days of the date of issuance of a notice of payment due. Delinquent fees shall be subject to a penalty of 10 percent plus interest at the rate of one percent per month on the outstanding balance which shall be added to the amount of the fee collected from the date that payment is due. In addition, the City may impose a *special assessment* lien against the property as provided in *Section 1136 Article XX of Chapter 10 of the San Francisco Administrative Code (commencing with Section 10.230)*.
- Section 7. Article 24 of the San Francisco Health Code is hereby amended by amending Section 1412, to read as follows:
 - SEC. 1412. FEE SCHEDULE. (a) The Department shall collect the following fees:
- (1) \$150 for processing permit applications and associated administration activities undertaken by the Department; and
- (2) \$75 per hour or each portion thereof for inspections and associated administrative activities, including enforcement activities pursuant to Section 1409.
- (b) A notice of payment due shall be sent by the Department to the permittee, the violator, and the owner of the property, advising as to the amount of any fee and containing the following information:
 - (1) The date and location of the Department's inspection;
 - (2) The amount of the fee;

- (3) A statement advising the addressee that he or she is liable under this Article for the fee in the amount indicated in the notice and that payment to the City is due within 30 days of the mailing date of the notice;
- (4) A statement advising the addressee that a penalty of 10 percent plus interest at the rate of one percent per month on the outstanding balance shall be added to the costs from the date that payment is due under Subsection (b)(3);
- (5) A statement advising the owner of the establishment that if payment of the costs is not received within 90 days of the mailing date, a lien may be imposed on the property of the owner which is an establishment subject to the provisions of this Article; and
- (6) A statement that the addressee or property owner may appeal the fee determination contained in the notice of payment due to the Director. Said appeal must be filed in writing with the Department no later than 30 days after the date the notice of payment due is issued. The Director's decision on the appeal shall be final.
- (c) If full payment of the costs is not received within 30 days after the notice of payment due was sent, a second notice of payment due shall be sent by the Department to the addressees of the previous notice. The second notice shall state that the generator and property owner are liable for the payment of the costs indicated on the notice.
- (d) If full payment of the costs is not received within 30 days after the second notice of payment due was sent, a third (and final) notice of payment due shall be sent by the Department. The third notice shall state that addressees are liable for the payment of the costs indicated on the notice and that if payment of such costs is not received within 30 days of the mailing date of the third notice, a lien may be imposed on the subject property pursuant to the provisions of this Article.

(e) If payment is not received within 30 days after mailing the third notice, the Department shall initiate *special assessment* lien proceedings pursuant to the provisions of *Article XX of Chapter 10 of* the San Francisco Administrative Code, *Chapter 10, Article XX*.

Section 8. Article 25 of the San Francisco Health Code is hereby amended by amending Sections 1512 and 1513, to read as follows:

SEC. 1512. ENFORCEMENT. (a) **Entry and Inspection Authority.** Upon presentation of proper credentials, the Director may, at any reasonable time, enter and inspect the following facilities, or take any of *the* the following actions:

- (1) Enter and inspect any facility for which a medical waste permit, common storage facility permit, or medical waste registration has been filed, or which is subject to registration or permitting requirements pursuant to this Article;
- (2) Enter and inspect any facility for which a nonregistrant information document has been filed pursuant to Section 1505, upon receipt of information that a violation of this Article has occurred;
- (3) Enter and inspect a vehicle for which a limited-quantity exemption application has been filed or granted, or which is subject to registration or permit requirements pursuant to this Article;
- (4) As part of any entry, take photographs or videotapes, take samples, inspect and copy any records, reports, test results, or other information related to the requirements of this Article.
- (b) **Consent to Entry.** The Director's inspection shall be made with the consent of the owner or possessor of the facilities. If entry or inspection authorization is denied, the Director shall obtain a proper inspection warrant or other remedy provided by law to secure entry.

- (c) **Emergency Inspection Authority.** Notwithstanding the provisions of Subsection (b), if the Director determines that a violation or an emergency may endanger public health or safety, an inspection may be made without consent or issuance of a warrant.
- (d) **Notice of Violation and Administrative Orders.** The Director is authorized to enforce the requirements of this Article, including the provisions of any regulation, permit, registration, or hauling exemption. Upon receipt of information that a violation has occurred or may occur, the Director may take any, or any combination, of the following actions.
- (1) Serve notice requiring correction of violations of this Article upon any person, including the owner, operator, permittee or registrant of the facility or vehicle where the violation occurred or may occur, and on any other person responsible for violation of this Article. Corrective action may be required immediately or upon a schedule specified by the Director.
- (2) After notice and hearing, issue an order to cease or abate the violation and to take any necessary remedial action. The order shall be served personally or by certified mail on the owner, operator, permittee or registrant of the facility where a violation occurred or may occur, and on any other person responsible for violation of this Article.
- (3) After notice and hearing, issue an order to the person responsible for a violation of this Article specifying a schedule for compliance, or imposing an administrative penalty of not more than \$1,000 per violation, or both. Any person who violates an order issued pursuant to this Subsection 1512(d) shall be guilty of a *misdeameanor misdemeanor*.
- (4) Request the City Attorney to bring an action to enjoin any violation or threatened violation of this Article, to enforce an order issued under this Section, and to recover civil penalties.
- (e) Unauthorized treatment or disposal of medical waste; Penalties. No person shall haul, transport, store, treat, dispose, or cause the treatment or disposal of medical waste

in a manner not authorized by a valid order, permit, registration, or hauling exemption issued under this Article, or any regulations adopted pursuant hereto. Any person who stores, treats, disposes, or causes the treatment or disposal of medical waste in violation of this Article is guilty of an offense as follows:

- (1) For a small quantity generator, a first offense is an infraction, punishable by a fine of not more than \$1,000.
- (2) For a person other than a small quantity generator, a first offense is a misdeameanor misdemeanor punishable by a fine of not less than \$2,000, or by up to one year in county jail, or by both fine and imprisonment.
- (3) Any person convicted of a second or subsequent violation of this Subsection 1512(e) within three years of the prior conviction shall be punished by imprisonment in the county jail for not more than one year or by imprisonment in state prison for one, two, or three years or by a fine of not less than \$5,000 or more than \$25,000, or by both the fine and imprisonment. This Paragraph (3) shall not apply unless any prior conviction is charged in the accusatory pleading and admitted by the defendant or found to be true by the trier of fact. If the defendant is a corporation which operates medical facilities in more than one geographic location, this subdivision shall apply only if the offense involves an adjacent facility involved in the prior conviction.
- (4) Any person who knowingly treats or disposes, or causes the treatment or disposal of, medical waste in violation of this chapter shall be punished by imprisonment in the county jail for not more than one year or by imprisonment in the state prison for one, two, or three years, or by a fine of not less than \$5,000 or more than \$25,000, or by both the fine and imprisonment.
- (5) Any person who intentionally makes any false statement or representation in any application, label, tracking document, record, report, permit, registration, or other

document filed, maintained, or used for purposes of compliance with this chapter which materially affects the health and safety of the public is liable for a civil penalty of not more than \$10,000 for each separate violation, or for continuing violations, for each day that the violation continues.

- (6) Any person who fails to register or fails to obtain a medical waste permit in violation of this Article, or otherwise violates any provision of this Article, including any order or permit, shall be liable for a civil penalty of not more than \$10,000 for each violation of a separate provision of this Article, or for continuing violations, for each day that the violation continues.
- (f) Suspension or Revocation of Permits. The Director may, after notice and a hearing, suspend, revoke or modify any medical waste permit or common storage facility permit upon making a finding that:
- (1) The permittee has *violated* violated the provisions of this Article, or any regulation adopted pursuant to this Article;
- (2) The permittee has violated any term or condition of a permit or administrative order issued pursuant to this Article;
- (3) The permittee has aided or abetted the violations specified in Paragraphs (1) and (2), or has interfered with the performance of any activity or duty of the Director;
- (4) The permittee has intentionally made false statements, or intentionally failed to disclose fully all relevant facts, in any material regard, in an application for a medical waste permit or common storage facility permit;
- (5) A temporary or permanent modification, reduction or termination of the permitted operation is necessary to bring it into compliance with the provisions of this Article.
- (g) **Emergency Enforcement Authority**. Notwithstanding any other provision of this Article, whenever the Director determines that medical waste may cause an imminent

danger to the health or welfare of any person, the Director may take all necessary actions to immediately abate the threat without notice or a hearing. Any person subject to this Article shall immediately cease any activity, or commence abatement or mitigation action upon verbal or written notification by the Director that an imminent danger is presented by medical waste.

- (h) Special Assessment Liens. Costs and charges incurred by the City by reason of the abatement of any violation of this Article, or abatement of any imminent danger, including but not limited to monitoring and inspection costs, and any administrative civil penalties assessed against any person for violations of this Article, shall be an obligation owed by the owner of the property where the violation originated or by the person against whom the penalty was assessed to the City. Such obligation may be collected by means of the imposition of a lien against the property of the owner of the property where the violation originated or of the person against whom the final administrative civil penalty was assessed. The City shall mail to the owner of the property where the violation occurred and to the person or business against whom the final administrative civil penalty was assessed (if different from the owner of the property) a notice of the amounts due and a warning that a lien proceedings will be recorded initiated against the property if the amounts due are not paid within 30 days after mailing of the notice.
- (i) Special assessment ILiens shall be created and assessed in accordance with the requirements of Article XX of Chapter 10 of the San Francisco Administrative Code, commencing with Section 10.230.
- SEC. 1513. INSPECTION AND INVESTIGATION FEES. (a) Notwithstanding any other provision of this Article, the Director may conduct an investigation and an inspection pursuant to Section 1512 whenever information is received that any medical waste generator or any person is in violation of this Article. The Director may require any person subject to this Article to pay an inspection and investigation fee equal to \$85 for each hour or portion thereof spent by the Department of Public Health in conducting such activities.

- (b) A notice of payment due shall be sent by the Director to the medical waste generator and the owner of the property inspected, advising of the amount of any fee and containing the following information:
 - (1) The date and location of the Director's investigation and inspection activities;
 - (2) The amount of the fee;
- (3) A statement advising the generator and property owner that he or she is liable under this Article for the fee in the amount indicated in the notice and that payment to the City is due within 30 days of the mailing date of the notice;
- (4) A statement advising the generator and property owner that a penalty of 10 percent plus interest at the rate of one percent per month on the outstanding balance shall be added to the costs from the date that payment is due under Subsection (b)(3);
- (5) A statement advising the property owner that if payment of the costs is not received within 90 days of the mailing date, a lien may be imposed on the property of the owner where the generator is located, or where the violation occurred, pursuant to the provisions of this Section;
- (6) A statement that the generator or property owner may appeal the fee determination contained in the notice of payment due to the Director. Said appeal must be filed in writing with the Director no later than 30 days after the date the notice of payment due is issued. The Director's decision on the appeal shall be final.
- (c) If full payment of the costs is not received within 30 days after the notice of payment due was sent, a second notice of payment due shall be sent by the Director to the generator and property owner. The second notice shall state that the generator and property owner are liable for the payment of the costs indicated on the notice.
- (d) If full payment of the costs is not received within 30 days after the second notice of payment due was sent, a third (and final) notice of payment due shall be sent by the

Director to the generator and property owner. The third *nptice* notice* shall state that the generator and property owner are liable for the payment of the costs indicated on the notice and that if payment of such costs is not received within 30 days of the mailing date of the third notice, *a lien proceedings* may be *imposed on initiated against* the subject property pursuant to the provisions of this Article.

- (e) If payment is not received within 30 days following mailing the third notice, the Department shall initiate *special-assessment* lien proceedings pursuant to the provisions of *Article XX of Chapter 10 of* the San Francisco Administrative Code, *Chapter 1, Article XX*.
- Section 9. Article 26 of the San Francisco Health Code is hereby amended by amending Section 1637, to read as follows:
- SEC. 1637. CIVIL AND ADMINISTRATIVE PENALTIES. (a) Any person who fails to comply with an order from the Director under this Article shall be civilly liable to the City and County of San Francisco for a civil penalty in an amount not to exceed \$500 for each day in which the violation occurs. Each day that such violation continues shall constitute a separate violation.
- (b) In determining civil penalties, the court shall consider the extent of harm caused by the violation(s) to the order, the nature and persistence of the violation(s), the length of time over which the violation(s) occur(s), the frequency of past violations, any action taken to mitigate the violation, and the financial burden to the violator. In addition to assessing a civil penalty, a court may order compliance with the order or such other relief as may be necessary to abate the nuisance.
- (c) Any person who fails to comply with an order under Sections 1625 or 1628 may be assessed an administrative penalty by the Director. Assessment of an administrative civil penalty shall not be a prerequisite to abatement by the Director, or to the filing of a court action seeking penalties or injunctive relief.

- (1) Upon receipt of information that a violation of an order has occurred, the Director shall serve the parties named in the order with a complaint specifying the violations, assessing a proposed administrative penalty, warning the parties that their violation will be reported to the Franchise Tax Board (explaining the consequences of such notification), and setting a hearing date no more than 30 days and no less than 10 from the date the complaint is mailed. Service shall be by first class mail, return receipt requested. In the case of an order issued under Section 1628, a copy of the complaint shall be provided to the occupants of the affected dwelling unit. The Director shall post a notice of the hearing at the affected building or premises.
- (2) The hearing officer shall hear testimony from the parties named in the complaint and any other interested party on the nature of the alleged violation, the appropriateness of the proposed penalty, and the need to adjust the schedules in the original order. If the hearing officer determines that a violation continues to occur, the compliance schedule shall be adjusted to allow a reasonable period of time, not to exceed 30 days, for completion of the requirements of the order. A penalty shall be assessed based on the factors in Subsection (b) above, which shall become due and payable to the City and County of San Francisco on the thirty-first day after the effective date of the hearing officer's determination if the Director determines, after inspection, that compliance has not been achieved.
- (A) A record of the hearing shall be prepared which shall include a transcript, all written letters, pleadings, notices and orders, exhibits and any other papers in the case. The hearing officer's final written decision shall be included in the record.
- (B) A final decision which finds a continuing violation shall instruct the Department of Public Health to notify the Franchise Tax Board of any violation which continues for six months beyond the original order as provided in Revenue and Taxation Code Sections 12724 and 24436.5.

- (C) The final decision shall notify all parties that the time within which judicial review may be sought is governed by Section 1094.6 of the California Code of Civil Procedure.
- (3) If a penalty is not timely paid the Director may take any action authorized by law, including commencement of a judicial action to seek the full amount of a civil penalty plus injunctive relief. The Director may initiate *special assessment* lien proceedings pursuant to Chapter 10, Article XX of the San Francisco Administrative Code to collect any unpaid *assessments penalties*.
- (4) Administrative penalties shall be assessed in amounts not to exceed \$100 per day for a first violation, \$200 per day for a second violation within one year, and \$500 per day for each additional violation within one year.
- Section 10. Article 4 of the San Francisco Public Works Code is hereby amended by amending Sections 104.1 and 134, to read as follows:
- SEC. 104.1. RECOVERY OF ABATEMENT COSTS. (a) Each notice provided in Section 104 of this Article shall advise the owner or owners of responsibility for the expense of abatement of a nuisance or hazard. Any costs and charges incurred by the City by reason of abatement of a nuisance or hazard by the Director shall be an obligation to the City owing by the owner or owners of tributary property. and the City shall have a lien on the property, The Director shall mail to the owner(s) of the tributary property a notice of the amount due and a warning that lien proceedings will be initiated against the property if the amounts due are not paid within 30 days after mailing of the notice.
- (b) Liens authorized under this section shall be imposed and collected in accordance with the requirements of Article XX of Chapter 10 of the San Francisco Administrative Code. The amount of such liens, exclusive of administrative costs and charges, shall be in accordance with the applicable provision of the following schedule:
 - (a) (1) For a side sewer in the roadway of any public street, alley or place, a fee of

\$200 for each tributary property.

(b) (2) For a side sewer other than (a) (1) above, utility drain or private sewer, all costs and charges incurred by the City.

- SEC. 134. SPECIAL ASSESSMENT LIENS. (a) Costs and charges incurred by the City by reason of the abatement of any violation of this Article, including but not limited to monitoring and inspection costs; a delinquency in the payment of a bill for any industrial waste charge in excess of 30 days; and any civil penalties assessed against a discharger for violations of this Article or against the City for violations caused by a discharger shall be an obligation owed by the owner of the property where the discharge originated in the City. The City shall mail to the owner of the property where the discharge occurred a notice of the amounts due and a warning that # lien proceedings will be recorded initiated against the property if the amounts due are not paid within 30 days after mailing of the notice.
- (b) Special assessment ILiens shall be created and assessed in accordance with the requirements of Article XX of Chapter 10 of the San Francisco Administrative Code, commencing with Section 10.230.

Section 11. Article 15 of the San Francisco Public Works Code is hereby amended by amending Section 724.5 to read as follows:

SEC. 724.5. EXCEEDING PERMISSIBLE USE-PENALTY FEE. If the Director of Public Works determines that the permittee has exceeded the scope of the temporary street occupancy permit, either in terms of duration or area, the Director of Public Works shall order the permittee to correct the violation within a specified time period. Should the violation not be corrected as ordered, the permittee shall pay a penalty fee of \$1,000 per day for each day of violation. Failure to pay any fee assessed under these provisions shall constitute good cause for immediate revocation of the temporary street occupancy permit, and the project

property shall be subject to a lien in the same amount in accordance with the requirements of Article XX of Chapter 10 of the San Francisco Administrative Code, commencing with Section 10.230.

Section 12. Article 3 of the San Francisco Planning Code is hereby amended by amending Section 313.9, to read as follows:

SEC. 313.9. LIEN PROCEEDINGS. (a) A sponsor's failure to comply with the requirements of Sections 313.5, 313.6 and 313.7 shall constitute cause for the City to record a *special assessment* lien against the office development project in the sum of \$18,264.25 for each housing unit required under this ordinance. The amount of the lien per unit shall be revised annually according to the formula in Section 313.6.

- (b) The Director shall initiate proceedings to impose the *special assessment* lien in accordance with the procedures set forth in Chapter 10, Article XX of the San Francisco Administrative Code, and shall send all notices required by that Article to the owner of the property as well as the sponsor. The Director shall also prepare by preparing a preliminary report notifying the sponsor of a *special assessment* hearing to confirm such report by the Board of Supervisors at least 10 days before the date of the hearing. The report to the sponsor shall contain the sponsor's name, a description of the sponsor's office development project, a description of the parcels of real property to be encumbered as set forth in the Assessor's Map Books for the current year, a description of the alleged violation of this ordinance, and shall fix a time, date, and place for hearing. The Director shall cause this report to be mailed to each owner of record of the parcels of real property subject to lien-be assessed. Except for the release of lien recording fee authorized by Administrative code Section 10.237, all sums collected by the Tax Collector pursuant to this ordinance shall be held in trust by the Treasurer and deposited in the Citywide Affordable Housing Fund established in Section 313.12.
- (c) At the hearing fixed for consideration of the report, the Board of Supervisors shall hear the report with any objections of the owners of the parcels liable to be assessed. The Board of

Supervisors may make such revisions, corrections or modifications of the report as it may deem just. In the event that the Board of Supervisors is satisfied with the correctness of the report as submitted or as revised, corrected or modified, it shall be confirmed as a final report. Any delinquent account may be removed from the report by payment in full at any time prior to confirmation of a final report. The Director shall cause the confirmed report to be verified in form sufficient to meet recording requirements.

(d) — Upon-confirmation of the report by the Board of Supervisors, the delinquent charges contained therein shall constitute a special assessment against the parcel or parcels used in the office development project. Each such assessment shall be subordinate to all existing special assessment liens previously imposed upon such parcels and paramount to all other liens except those for State, County, and municipal taxes with which it shall be upon parity. The lien shall continue until the assessment and all interest due and payable thereon are paid to the Tax Collector of the City. All laws applicable to the levy, collection, and enforcement of municipal taxes shall be applicable to said special assessment.

(e) — The Director shall cause the confirmed and verified report to be recorded in the County Recorder's Office and the special assessment lien on each parcel of property described in said report shall carry additional charges for administrative expenses of \$50 or 10 percent of the amount of the unpaid balance, whichever is greater, plus interest at a rate of 1 ½ percent per full month compounded monthly from the date of the recordation of the lien on all charges due.

(f) The Director shall file a certified copy of each confirmed final report with the Controller and Tax Collector within 10 days after confirmation of the report, whereupon it shall be the duty of said officers to add the amount of said assessment to the next regular bill for taxes levied against said parcel or parcels of land for municipal purposes, and thereafter said amount shall be collected at the same time and in the same manner as City and County of San Francisco taxes are collected, and shall be subject to the same procedure under foreclosure and sale in case of delinquency as provided for

property taxes of the City and County of San Francisco. Except for the release of lien recording fee authorized below, all sums collected by the Tax Collector pursuant to this ordinance shall be held in trust by the Treasurer and deposited in the Citywide Affordable Housing Fund established in Section 313.12.

(g) On payment to the Tax Collector of the special assessment, the Tax Collector shall cause to be recorded a release of lien with the County Recorder, and from the sum collected pursuant to Part (a) of this Section, shall pay to the county recorder a recording fee of \$6.00.

(h) (c) Any notice required to be given to a sponsor or owner shall be sufficiently given or served upon the sponsor or owner for all purposes hereunder if personally served upon the sponsor or owner or if deposited, postage prepaid, in a post office letterbox addressed in the name of the sponsor or owner at the official address of the sponsor or owner maintained by the Tax Collector for the mailing of tax bills or, if no such address is available, to the sponsor at the address of the office development project.

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By:

DAVID A. GREENBURG

Deputy City Attorney



City and County of San Francisco Tails

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

Ordinance

File Number:

001917

Date Passed:

Ordinance amending the San Francisco Municipal Code by amending Chapter 37A of the San Francisco Administrative Code by amending Section 37A.4; amending Chapter 38 of the San Francisco Administrative Code by amending Sections 38.10 and 38.11, deleting Sections 38.12 through 38.16 and renumbering existing Sections 38.17 and 38.18 as 38.12 and 38.13; amending Chapter 41 of the San Francisco Administrative Code by amending Section 41.20; amending Article 1 of the San Francisco Fire Code by amending Section 107.1; amending Article 11 of the San Francisco Health Code by amending Section 609.3; amending Article 21 of the San Francisco Health Code by amending Section 1136 and 1175.1; amending Article 24 of the San Francisco Health Code by amending Sections 1512 and 1513; amending Article 25 of the San Francisco Health Code by amending Sections 1512 and 1513; amending Article 26 of the San Francisco Health Code by amending Sections 104.1 and 134; amending Article 4 of the San Francisco Public Works Code by amending Sections 104.1 and amending Article 3 of the San Francisco Planning Code by amending Section 313.9 to eliminate references to unauthorized special assessment liens, establish lien procedures in accordance with state law and make miscellaneous clerical corrections.

December 11, 2000 Board of Supervisors — PASSED, ON FIRST READING

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

December 18, 2000 Board of Supervisors — FINALLY PASSED

Ayes: 9 - Ammiano, Becerril, Bierman, Brown, Kaufman, Leno, Newsom, Yaki,

Vee

Absent: 2 - Katz, Teng

File No. 001917

I hereby certify that the foregoing Ordinance was FINALLY PASSED on December 18, 2000 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young

Clerk of the Board

DEC 28 2000

Date Approved

Mayor Willie L. Brown Jr.