File No. 240684 **Committee Item No.** _____
Board Item No. 30

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____ **Date:** _____
Board of Supervisors Meeting **Date:** July 2, 2024

Cmte Board

Cmte	Board	
☐	☐	**Motion**
☐	☒	**Resolution**
☐	☐	**Ordinance**
☐	☐	**Legislative Digest**
☐	☐	**Budget and Legislative Analyst Report**
☐	☐	**Youth Commission Report**
☐	☒	**Introduction Form**
☐	☐	**Department/Agency Cover Letter and/or Report**
☐	☐	**MOU**
☐	☐	**Grant Information Form**
☐	☐	**Grant Budget**
☐	☐	**Subcontract Budget**
☐	☐	**Contract/Agreement**
☐	☐	**Form 126 – Ethics Commission**
☐	☐	**Award Letter**
☐	☐	**Application**
☐	X	**Public Correspondence**

OTHER

☐	☒	Proposition Text - 12/22/22
☐	☐	
☐	☐	
☐	☐	
☐	☐	
☐	☐	
☐	☐	

Prepared by: Lisa Lew **Date:** June 14, 2024
Prepared by: Jocelyn Wong **Date:** June 21, 2024

FILE NO. 240684 RESOLUTION NO.

[Supporting The Justice for Renters Act - California State Proposition - November 5, 2024 Ballot]

Resolution supporting The Justice for Renters Act, a California State Proposition on the November 5, 2024, ballot; and reaffirming the City and County of San Francisco's support for repeal of the Costa-Hawkins Rental Housing Act.

WHEREAS, Between 1978 and 1995, about a dozen California cities including San Francisco, Los Angeles, Santa Monica, West Hollywood, Oakland, Hayward, East Palo Alto, and others, adopted local rent control laws; and

WHEREAS, In 1995, over local objections, the California legislature adopted and Governor Pete Wilson signed into law the Costa-Hawkins Rental Housing Act ("Costa Hawkins") requiring all local rent control laws to: 1) exempt newly constructed apartment buildings; 2) exempt all single-family homes and condos; and 3) decontrol initial rents, allowing landlords to charge any amount for tenancies commencing after a lawful vacancy; and

WHEREAS, The "new construction" provision of Costa Hawkins not only prevents rent control on units built after 1995 anywhere in California, but also locks in any "new construction" exemption dates that were in effect under local Rent Control laws when Costa Hawkins passed, and in San Francisco, the latter provision has prevented rent control on any San Francisco property built after June, 1979 – exempting buildings that can hardly be considered new – all due to limitations that the City cannot modify because of Costa Hawkins; and

WHEREAS, The Costa Hawkins Rental Housing Act was sponsored by the California Association of Realtors and supported by the real estate industry, and the Act was opposed by local governments and tenant advocates across the state of California; and

WHEREAS, Today over 30 California cities representing more than 10 million residents have adopted local rent control laws; and

WHEREAS, Vacancy control, which some cities had before Costa Hawkins, allows cities to limit rent and rent increases after a vacancy, and is a powerful tool to lower rents; without it, landlords are free to charge any amount after a vacancy, driving up housing costs, making housing less affordable to low- and very low-income families, intensifying gentrification and increasing the number of people experiencing homelessness; and

WHEREAS, Vacancy decontrol, by allowing landlords to command market rate rents after a vacancy, provides a financial incentive to evict or otherwise displace renters living in lower rent apartments, a situation that has been exploited particularly by corporate landlords who build flipping units into their investment strategy, as detailed by tenant counseling agencies in a 2018 report by the Anti-Displacement Coalition; and

WHEREAS, 35% of renter households overall are rent burdened in San Francisco according to California Housing Partnership data, and for very low-income renter households that figure jumps to 61% as defined by those paying 30% or more of their income on rent, and median rents have risen in San Francisco to $2950 for 1-bedroom units, and $3950 for 2-bedroom units, according to May 2024 data from a national report on rental trends in major cities; and

WHEREAS, Renters in lower income, Black and Latinx households are disproportionately targeted with evictions, but San Francisco voter-approved Prop F (2018) has helped San Francisco tenants to stay housed in 92% of cases when provided a free lawyer through Tenant Right to Counsel, according to a recent report from the City; and

WHEREAS, Black and Latinx households in California are much more rent burdened than their white counterparts, and communities of color in San Francisco are impacted by income disparities that contribute to rent burdens, where 64% of Black residents and 49% of

Latinx are in very low-income households, compared to 36% of SF households overall in this category, from an analysis by the Bay Area Equity Atlas; and

WHEREAS, Increasing rents and loss of affordable housing have serious social impacts: older adults feel very vulnerable should there be a loss of income from a spouse passing; young adults find it very difficult to find apartments they can afford and must live at home much longer; families double and triple-up creating significant overcrowding; many lower income families leave their communities and travel to other communities or states looking for a place they can afford; and many other people are forced to experience homelessness on the streets of their community; and

WHEREAS, Ten of the largest corporate landlords in the U.S. are donating millions to stop the passage of the Justice for Renters Act, a state proposition on November 2024 ballot that would repeal Costa Hawkins, and the real estate industry has a track record of massive contributions against rent control, including a total of $175 million to oppose Prop 10 in 2018 and Prop 21 in 2020, using misinformation campaigns to prevent the repeal of Costa Hawkins; and

WHEREAS, In 2018, the San Francisco Board of Supervisors passed a Resolution (File #180785) Supporting California State Proposition 10 - The Affordable Housing Act - on the November 6, 2018 Ballot, reaffirming the City and County of San Francisco's support for repeal of the Costa Hawkins Rental Housing Act; and

WHEREAS, In 2017, the San Francisco Board of Supervisors unanimously passed a Resolution (File #171166) Supporting California State Assembly Bill 1506 (Bloom) - Repealing the Costa-Hawkins Act, which would have repealed Costa Hawkins through the State legislature, yet the bill failed to pass out of committee, with the California Apartments Association claiming victory in efforts to "derail" this bill; and

WHEREAS, The real estate industry has claimed that rent control has a chilling effect on new construction yet this does not match up with the data, from a recent Haas Institute Report that showed the six cities with rent control in the SF Bay Area in fact had produced more housing units per capita than cities without rent control; and

WHEREAS, The repeal of Costa Hawkins will allow, but not require, local jurisdictions like San Francisco to address the gaps in administering rent control, with options to broaden rent stabilization and protections for housing that does not currently fall under this regime: units built after 1979, housing stock not currently subject to rent control, and rent-controlled units where landlords can reset rents to market rate via vacancy decontrol, thus weakening the impact of rent control laws over time; and

WHEREAS, The Courts already limit rent control laws to ensure that landlords get a fair return on their investments and there is no need for state intervention to further limit local rent control laws, the scope of which should be decided by local voters and local legislative bodies, not by the state legislature; and

WHEREAS, Governor Newsom and the State Legislature have described the housing affordability crisis as a priority in several legislative cycles, yet the draft budget as it currently stands has proposed to roll back $1.76 billion in funds to critical programs that would build and preserve affordable housing and prevent homelessness, and at the same time, the state Costa Hawkins law is directly interfering with the efforts of local governments to make housing more affordable in their communities and create stronger protections for low-income renters; now, therefore, be it

RESOLVED, That the City and County of San Francisco affirms its support for strong rent control to protect tenant and respond to tenants' need for affordable, stable, and secure housing; and, be it

FURTHER RESOLVED, That the City and County of San Francisco objects to state interference with local rent control laws, and specifically state preemption of local rent control laws; and, be it

FURTHER RESOLVED, That the City and County of San Francisco hereby endorses the Justice for Renters Act calling for the repeal of Costa Hawkins on the statewide California ballot on November 5, 2024.

22-0008

RECEIVED

DEC 22 2022

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

December 21, 2022

Anabel Renteria, Initiative Coordinator
Office of the Attorney General
1300 I Street, 17th Floor
Sacramento, CA 95814

Re: Request for Preparation of Title and Summary

Dear Ms. Renteria:

I am the proponent of the enclosed initiative measure, which is entitled "Justice for Renters Act." Pursuant to article II, section 10(d), of the California Constitution and section 9001 of the California Elections Code, we hereby request the preparation of a circulating title and summary of the chief purposes and points of the proposed measure.

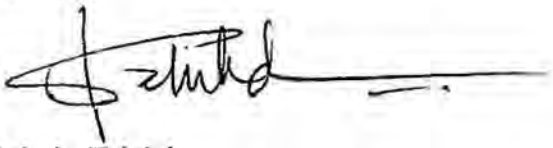
Enclosed is a check for $2,000 made payable to the State of California. Also enclosed are the signed statements required by Elections Code section 9001(b) and 9608.

I request that my residence address be kept confidential following verification of my status as registered voters.

You are hereby authorized and requested to direct all further inquiries and correspondence regarding this proposed measure to the following persons:

Fredric D. Woocher, Esq.
Beverly Grossman Palmer, Esq.
Strumwasser & Woocher LLP
1250 6th Street, Suite 205
Santa Monica, CA 90405
fwoocher@strumwooch.com
bpalmer@strumwooch.com
(310) 576-1233

Sincerely,



Ashoke Talukdar

Justice for Renters Act

Section 1.

This Act shall be known and may be cited as "Justice for Renters Act."

Section 2.

The following provision is added to Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code:

1954.40. The state may not limit the right of any city, county, or city and county to maintain, enact or expand residential rent control.

Section 3.

The following provisions of Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code are repealed, as illustrated by strikeout text below.

~~1954.50. This chapter shall be known and may be cited as the Costa-Hawkins Rental Housing Act.~~

~~1954.51. As used in this chapter, the following terms have the following meanings:~~

~~(a) "Comparable units" means rental units that have approximately the same living space, have the same number of bedrooms, are located in the same or similar neighborhoods, and feature the same, similar, or equal amenities and housing services.~~

~~(b) "Owner" includes any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner, except that this term does not include the owner or operator of a mobilehome park, or the owner of a mobilehome or his or her agent.~~

~~(c) "Prevailing market rent" means the rental rate that would be authorized pursuant to 42 U.S.C.A. 1437 (f), as calculated by the United States Department of Housing and Urban Development pursuant to Part 888 of Title 24 of the Code of Federal Regulations.~~

~~(d) "Public entity" has the same meaning as set forth in Section 811.2 of the Government Code.~~

~~(e) "Residential real property" includes any dwelling or unit that is intended for human habitation.~~

~~(f) "Tenancy" includes the lawful occupation of property and includes a lease or sublease.~~

~~1954.52. (a) Notwithstanding any other provision of law, an owner of residential real property may establish the initial and all subsequent rental rates for a dwelling or a unit about which any of the following is true:~~

~~(1) It has a certificate of occupancy issued after February 1, 1995.~~

~~(2) It has already been exempt from the residential rent control ordinance of a public entity on or before February 1, 1995, pursuant to a local exemption for newly constructed units.~~

~~(3) (A) It is alienable separate from the title to any other dwelling unit or is a subdivided interest in a subdivision, as specified in subdivision (b), (d), or (f) of Section 11004.5 of the Business and Professions Code.~~

~~(B) This paragraph does not apply to either of the following:~~

(i) A dwelling or unit where the preceding tenancy has been terminated by the owner by notice pursuant to Section 1946.1 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827.

(ii) A condominium dwelling or unit that has not been sold separately by the subdivider to a bona fide purchaser for value. The initial rent amount of the unit for purposes of this chapter shall be the lawful rent in effect on May 7, 2001, unless the rent amount is governed by a different provision of this chapter. However, if a condominium dwelling or unit meets the criteria of paragraph (1) or (2) of subdivision (a), or if all the dwellings or units except one have been sold separately by the subdivider to bona fide purchasers for value, and the subdivider has occupied that remaining unsold condominium dwelling or unit as his or her principal residence for at least one year after the subdivision occurred, then subparagraph (A) of paragraph (3) shall apply to that unsold condominium dwelling or unit.

(C) Where a dwelling or unit in which the initial or subsequent rental rates are controlled by an ordinance or charter provision in effect on January 1, 1995, the following shall apply:

(i) An owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all existing and new tenancies in effect on or after January 1, 1999, if the tenancy in effect on or after January 1, 1999, was created between January 1, 1996, and December 31, 1998.

(ii) Commencing on January 1, 1999, an owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all new tenancies if the previous tenancy was in effect on December 31, 1995.

(iii) The initial rental rate for a dwelling or unit as described in this paragraph in which the initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not, until January 1, 1999, exceed the amount calculated pursuant to subdivision (c) of Section 1954.53. An owner of residential real property as described in this paragraph may, until January 1, 1999, establish the initial rental rate for a dwelling or unit only where the tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of the Code of Civil Procedure.

(b) Subdivision (a) does not apply where the owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(c) Nothing in this section shall be construed to affect the authority of a public entity that may otherwise exist to regulate or monitor the basis for eviction.

(d) This section does not apply to any dwelling or unit that contains serious health, safety, fire, or building code violations, excluding those caused by disasters for which a citation has been issued by the appropriate governmental agency and which has remained unabated for six months or longer preceding the vacancy.

1954.53. (a) Notwithstanding any other provision of law, an owner of residential real property may establish the initial rental rate for a dwelling or unit, except where any of the following applies:

~~(1) The previous tenancy has been terminated by the owner by notice pursuant to Section 1946.1 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827, except a change permitted by law in the amount of rent or fees. For the purpose of this paragraph, the owner's termination or nonrenewal of a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, shall be construed as a change in the terms of the tenancy pursuant to Section 827.~~

~~(A) In a jurisdiction that controls by ordinance or charter provision the rental rate for a dwelling or unit, an owner who terminates or fails to renew a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant may not set an initial rent for three years following the date of the termination or nonrenewal of the contract or agreement. For any new tenancy established during the three-year period, the rental rate for a new tenancy established in that vacated dwelling or unit shall be at the same rate as the rent under the terminated or nonrenewed contract or recorded agreement with a governmental agency that provided for a rent limitation to a qualified tenant, plus any increases authorized after the termination or cancellation of the contract or recorded agreement.~~

~~(B) Subparagraph (A) does not apply to any new tenancy of 12 months or more duration established after January 1, 2000, pursuant to the owner's contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, unless the prior vacancy in that dwelling or unit was pursuant to a nonrenewed or canceled contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant as set forth in that subparagraph.~~

~~(2) The owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.~~

~~(3) The initial rental rate for a dwelling or unit whose initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not until January 1, 1999, exceed the amount calculated pursuant to subdivision (c).~~

~~(b) Subdivision (a) applies to, and includes, renewal of the initial hiring by the same tenant, lessee, authorized subtenant, or authorized sublessee for the entire period of his or her occupancy at the rental rate established for the initial hiring.~~

~~(c) The rental rate of a dwelling or unit whose initial rental rate is controlled by ordinance or charter provision in effect on January 1, 1995, shall, until January 1, 1999, be established in accordance with this subdivision. Where the previous tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of Code of Civil Procedure, an owner of residential real property may, no more than twice, establish the initial rental rate for a dwelling or unit in an amount that is no greater than 15 percent more than the rental rate in effect for the immediately preceding tenancy or in an amount that is 70 percent of the prevailing market rent for comparable units, whichever amount is greater.~~

~~The initial rental rate established pursuant to this subdivision may not substitute for or replace increases in rental rates otherwise authorized pursuant to law.~~

~~(d) (1) Nothing in this section or any other provision of law shall be construed to preclude express establishment in a lease or rental agreement of the rental rates to be applicable in the event the rental unit subject thereto is sublet. Nothing in this section shall be construed to impair the obligations of contracts entered into prior to January 1, 1996.~~

~~(2) If the original occupant or occupants who took possession of the dwelling or unit pursuant to the rental agreement with the owner no longer permanently reside there, an owner may increase the rent by any amount allowed by this section to a lawful sublessee or assignee who did not reside at the dwelling or unit prior to January 1, 1996.~~

~~(3) This subdivision does not apply to partial changes in occupancy of a dwelling or unit where one or more of the occupants of the premises, pursuant to the agreement with the owner provided for above, remains an occupant in lawful possession of the dwelling or unit, or where a lawful sublessee or assignee who resided at the dwelling or unit prior to January 1, 1996, remains in possession of the dwelling or unit. Nothing contained in this section shall be construed to enlarge or diminish an owner's right to withhold consent to a sublease or assignment.~~

~~(4) Acceptance of rent by the owner does not operate as a waiver or otherwise prevent enforcement of a covenant prohibiting sublease or assignment or as a waiver of an owner's rights to establish the initial rental rate, unless the owner has received written notice from the tenant that is party to the agreement and thereafter accepted rent.~~

~~(e) Nothing in this section shall be construed to affect any authority of a public entity that may otherwise exist to regulate or monitor the grounds for eviction.~~

~~(f) This section does not apply to any dwelling or unit if all the following conditions are met:~~

~~(1) The dwelling or unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety, fire, or building code violations, as defined by Section 17920.3 of the Health and Safety Code, excluding any violation caused by a disaster.~~

~~(2) The citation was issued at least 60 days prior to the date of the vacancy.~~

~~(3) The cited violation had not been abated when the prior tenant vacated and had remained unabated for 60 days or for a longer period of time. However, the 60-day time period may be extended by the appropriate governmental agency that issued the citation.~~

Section 4.

If any provision of this Act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

From:	Board of Supervisors (BOS)
To:	BOS-Supervisors; BOS-Legislative Aides
Cc:	Calvillo, Angela (BOS); Mchugh, Eileen (BOS); Ng, Wilson (BOS); Somera, Alisa (BOS); De Asis, Edward (BOS); BOS Legislation, (BOS); BOS-Operations; Board of Supervisors (BOS)
Subject:	FW: Today! Please Support the State Justice for Renters-Act Resolution file #240684
Date:	Tuesday, June 25, 2024 11:14:29 AM
Attachments:	8486f3e8.png

Dear Supervisors,

Please see below regarding:

File No. 240684 - Resolution supporting The Justice for Renters Act, a California State Proposition on the November 5, 2024, ballot; and reaffirming the City and County of San Francisco's support for repeal of the Costa-Hawkins Rental Housing Act.

Regards,

Richard Lagunte
Office of the Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
Voice (415) 554-5184 | Fax (415) 554-5163
richard.lagunte@sfgov.org | www.sfbos.org

Pronouns: he, him, his

Disclosures: *Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.*

From: graypanther-sf <graypanther-sf@sonic.net>
Sent: Tuesday, June 25, 2024 10:34 AM
Subject: Today! Please Support the State Justice for Renters-Act Resolution file #240684

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

2024 June 25
To SF BOS- Please Support the State Justice for Renters-Act Resolution file #240684
(Continued to June 25 2024 Full BOS Meeting).

Cc: Clerk of the Board: please enter into file.

From:San Francisco Gray Panthers

We represent multiple elderly and low income renters in San Francisco. We wish to enthusiastically endorse Supervisor Walton's statement on 6/11 that the statewide Justice for Renters Act is simply about repealing Costa-Hawkins which is absolutely necessary to help San Franciscans who need rent control to stay in their beloved city.

We expect you, our San Francisco representatives to stand behind working class and middle/low income San Franciscans by voting for this resolution supporting the state "Justice for Renters Act."

It is indeed very difficult to view arguments against the repeal of "Costa Hawkins" as anything other than an anti-renter, anti working class stance. Please represent your constituents and vote for this resolution.

Thank you,

Ann Colichidas
on behalf of
San Francisco Gray Panthers

1845 Hayes St. San Francisco, California 94117
Email: graypanther-sf@sonic.net

From:	Lovett, Li (BOS)
To:	BOS Legislation, (BOS)
Cc:	Somera, Alisa (BOS)
Subject:	Fw: ADC letter in support of File No. 240684
Date:	Monday, June 24, 2024 7:43:08 PM
Attachments:	6-24-24 Justice for Renters Resolution- File 240684.pdf

Hi--

The advocates have submitted this letter for the Resolution Supporting the Justice for Renters Act (file #240684), sponsored by Supervisor Preston along with 5 cosponsors. Wanted to make sure that BOS legislation has it as well, so it can be included in the file ahead of the 6/25/24 meeting.

Thank you!

Li

Li Lovett
Legislative Aide
Supervisor Dean Preston
Office: (415) 554-7630 | Direct: (415) 554-6783
Mobile (415) 370-5279
Office website: https://www.deanprestonsf.com/

---------- Forwarded message ---------
From: **Molly Goldberg** <molly@sfadc.org>
Date: Mon, Jun 24, 2024 at 9:58 AM
Subject: ADC letter in support of File No. 240684
To: <angela.calvillo@sfgov.org>

Hi,

I am submitting the following letter on behalf of the San Francisco Anti-Displacement Coalition to be included in the legislative file for tomorrow's Board Meeting, item #32 File No. 240684.

Thank you,

Molly Goldberg
San Francisco Anti-Displacement Coalition
1212 Market Street, Unit 200

San Francisco, CA 94102
SFADC.org

June 24, 2024

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244, San Francisco, CA 94102

RE: File No. 240684

Dear Supervisors,

The San Francisco Anti-Displacement Coalition (SFADC) represents over 20 organizations serving tenants citywide. We write today, along with allied organizations, in support of the Justice for Renters Act on the November 2024 ballot to repeal Costa-Hawkins statewide. We encourage you to support File #240684, the resolution in support of this measure sponsored by Supervisors Preston, Peskin, Ronen, Walton, Chan, and Melgar.

As organizations who daily work with tenants facing displacement due to the impacts of Costa-Hawkins, we know the importance of removing these sweeping state preemptions to our local authority. The real estate industry's response to a nationwide wave of successful community organizing for regulation of rental housing, **Costa-Hawkins creates loopholes in tenant protections that leave tens of thousands of residents unprotected from massive rent increases and displacement.** Our attached 2018 report "The Cost of Costa Hawkins" describes these loopholes and their impacts in greater detail.

It is no surprise that the Real Estate industry has come out again in full force to oppose the repeal of this measure. **The passage of the Costa-Hawkins Act in 1995 marked over a decade of continuous effort by the real estate lobby to overturn tenant protections they could not stop at the local level.** The 1970s saw a period of massive inflation paired with stagnating wages and rising unemployment. Cost of living, including housing costs, skyrocketed. By the late 1970s, rent control laws had been passed in 170 municipalities across the country. Unable to stop tenant momentum in cities with organized renters, the real estate industry looked for ways to override local initiatives via state preemptions. Despite success in many states nationwide, they were not able to fully ban rent control in Sacramento, so the industry attempted to weaken it via the Costa-Hawkins Act. Initially introduced in 1983, the bill failed every year until 1995, when the industry's persistent lobbying finally paid off. *It has been a priority of tenant advocates to repeal the anti-tenant legislation ever since.*

Costa-Hawkins drives up the price of housing for everyone in the city. Mandated vacancy decontrol means that sales prices for rent control buildings reflect an assumption that a large percentage of long-term rent control units can be flipped to market rate. Counselors and lawyers regularly see tenants facing persistent harassment because their landlords want to empty their unit and raise the rent, including long-term tenants who are not deemed as "original tenants" by the law's definition. The city's largest landlords build this presumption into their business plans, often relying on illegal methods to circumvent tenant protections and rent control, and pricing smaller "mom and pop" landlords out of the market.

Tenants regularly visit our clinics seeking help because a massive rent increase will force them to move from their home of many decades, but they are not covered by rent control because Costa-Hawkins labels their 40-year-old unit "new construction." The ban on extending common-sense rent regulations to "new construction" means that rent controlled housing has declined from over 90% of the rental stock when rent control passed to less than 70% of the stock at last count several years ago. **Rent control housing is the single largest source of affordable units in the city, but over 86,000 units are unregulated simply**

because those buildings were constructed after 1979. Today, one-third of tenants-are rent burdened. For very low-income renters, that number jumps to over 60%.

A June 17th letter of opposition submitted by an unsurprising alliance of the San Francisco Apartment Association, San Francisco Association of Realtors, market rate housing developers, and CA Yimby, makes familiar arguments against rent control. For decades, opponents of rent control have claimed that we won't build the new housing we desperately need if rent control is expanded, but **a survey of the academic literature points to rent control having no effect on housing production**. For example, a 2006 study on new construction in the Bay Area found rent-controlled cities built nearly twice as many units per resident as their non-rent-controlled neighbors.[1] A 2023 letter to the Federal Housing Finance Agency, signed by 32 economists in support of national rent control, cites "substantial empirical evidence that rent regulation policies do not limit new construction, nor the overall supply of housing."[2]

The Justice for Renter's Act is simple: it returns authority to cities and counties to enact and enforce regulations on rental housing that local jurisdictions deem necessary. The measure is backed by tenant and community groups, organized labor, veterans, seniors, LGBTQ advocates, and many others statewide. We hope you will join this broad coalition in support of this commonsense measure that will allow us to pass the rent controls we need to ensure that San Francisco is a place where all our communities can imagine and secure a future.

Signed,

[1] SOURCE: "Rent Controlled Cities Lead in New Apartment Construction in Bay Area" Berkeley Rent Stabilization Board (2006). Urban Habitat's 2018 report "Strengthening Communities through Rent Control and Just-Cause Evictions" makes similar arguments, stating "A comprehensive 1998 report by Berkeley's Planning and Development Department looks at rent control's effects on new construction in Berkeley and concludes that "the best available evidence shows that rent control had little or no effect on the construction of new housing." Analyzing new construction across the decades, the report shows that building permits hit their highest levels since 1971 in 1989—nine years after the passage of rent control. It asserts that "private-sector interest in building in Berkeley changes with economic conditions," and has more to do with the availability of financing than rent control.

[2] "Re: Tenant Protections for Enterprise-Backed Multifamily Properties Request for Input," submitted to the Federal Housing Finance Agency July 28, 2023.

From:	Board of Supervisors (BOS)
To:	BOS-Supervisors; BOS-Legislative Aides
Cc:	BOS-Operations; Jalipa, Brent (BOS); BOS Legislation, (BOS); Calvillo, Angela (BOS); De Asis, Edward (BOS); Entezari, Mehran (BOS); Mchugh, Eileen (BOS); Ng, Wilson (BOS); Somera, Alisa (BOS)
Subject:	FW: Opposition to File No. 240684- Resolution Supporting the Justice for Renters Act
Date:	Thursday, June 20, 2024 9:46:38 AM
Attachments:	Opposition Letter File No. 240684- Resolution Supporting the Justice for Renters Act.pdf

Hello,

Please see attached and below communication regarding **File No. 240684:**

Resolution supporting The Justice for Renters Act, a California State Proposition on the November 5, 2024, ballot; and reaffirming the City and County of San Francisco's support for repeal of the Costa-Hawkins Rental Housing Act.

Regards,

John Bullock
Office of the Clerk of the Board
San Francisco Board of Supervisor
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-5184
BOS@sfgov.org | www.sfbos.org

Disclosures: *Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.*

From: Charley Goss <charley@sfaa.org>
Sent: Monday, June 17, 2024 3:44 PM
To: Chan, Connie (BOS) <connie.chan@sfgov.org>; Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Engardio, Joel (BOS) <joel.engardio@sfgov.org>; Preston, Dean (BOS) <dean.preston@sfgov.org>; Dorsey, Matt (BOS) <matt.dorsey@sfgov.org>; Melgar, Myrna (BOS) <myrna.melgar@sfgov.org>; Mandelman, Rafael (BOS) <rafael.mandelman@sfgov.org>; Ronen, Hillary (BOS) <hillary.ronen@sfgov.org>; Walton,

Shamann (BOS) <shamann.walton@sfgov.org>; Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>
Cc: Board of Supervisors (BOS) <board.of.supervisors@sfgov.org>; Power, Andres (MYR) <andres.power@sfgov.org>; Janan New <janan@sfaa.org>
Subject: Opposition to File No. 240684- Resolution Supporting the Justice for Renters Act

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hi Members of the Board of Supervisors,

Attached please find a letter in opposition to File No. 240684: Resolution Supporting the Justice for Renters Act, on behalf of:

- The San Francisco Apartment Association
- Advance SF
- Bay Area Council
- Building Owners and Managers Association San Francisco
- Housing Action Coalition
- San Francisco Association of Realtors
- San Francisco Chamber of Commerce
- Kilroy Realty Corporation
- L37 Development
- Build Group
- Emerald Fund
- Plant Construction
- Prado Group
- Presidio Bay Ventures
- Related California
- The BayLands Company
- Tishman Speyer
- TMG Partners
- Webcor Builders
- Wilson Meany

This proposed resolution is Agenda Item 49 on the agenda for the full Board of Supervisors meeting on Tuesday, 6/18/24. Please do not hesitate to contact us with any questions or concerns.

Best,

Charley Goss
Government and Community Affairs Manager
San Francisco Apartment Association

415.255.2288 ext. 114

San Francisco Board of Supervisors

San Francisco City Hall, Room 244

1 Carlton B. Goodlett Place

San Francisco, CA 94102

June 17, 2024

Re: Opposition to File No. 240684: Resolution Supporting the Justice for Renters Act

Dear Supervisors,

We write to you on behalf of the undersigned organizations in opposition to Supervisor Preston's proposed resolution to support the "Justice for Renters Act" on the statewide November 5, 2024 ballot (File No. 240684). As you know, the "Justice for Renters Act" (JFRA) would fully and abruptly repeal the Costa-Hawkins Rental Housing Act, thus allowing California cities like San Francisco to immediately impose strict vacancy control in addition to rent control on single family homes, condominiums, and new apartment buildings.

The implementation of vacancy control as would be enabled by the passage of the Justice for Renters Act and supported in this resolution would fully derail San Francisco's efforts and its mandate to meet its housing production goals, and would undermine the recent, commendable efforts that San Francisco has made to streamline housing production at all income levels while creating an environment where capital is attracted to investing in San Francisco mixed-income housing projects.

The passage of JFRA would effectively eliminate any financial incentive to invest in new housing production in San Francisco, and make moot the city's efforts to meet its mandate to add 82,000 new units of housing by 2031, thus jeopardizing hundreds of millions of dollars in state funding for affordable housing and transit.

Contrary to the findings referenced in the proposed resolution, academic experts have repeatedly demonstrated that extreme rent control stifles new housing construction, perpetuating shortages and driving up costs for renters. Additionally, the proposed ballot measure undermines pro-housing laws by allowing cities that oppose new development to ignore state housing laws and refuse to build their fair share of housing.

This resolution sends a clear but dangerous message to affordable housing and mixed-income developers, trades unions, pension funds, endowments, builders, investors, banks, and lenders that the City and County of San Francisco is overtly hostile to investment in new housing.

If the JFRA passes in November and vacancy control is imposed, the end result will be less Affordable Housing, less workforce housing, less mixed-income market-rate housing, less in-lieu fee money for MOHCD, and less first-time ownership housing, exacerbating our housing crisis and eliminating housing opportunities for our teachers, first responders, service industry workers, and families.

In addition to the signatories to this letter, the following individuals or groups have come out in opposition to the JFRA:

- United Brotherhood of Carpenters
- Norcal Carpenters Union
- California Council for Affordable Housing
- Senator Toni Atkins
- Assembly Member Buffy Wicks
- YIMBY California

Thank you for your attention to this important matter.

Sincerely,

Janan New and Charley Goss, San Francisco Apartment Association

Chris Wright and Wade Rose, Advance SF

Jim Wunderman, Bay Area Council

David Harrison, Building Owners and Managers Association San Francisco

Corey Smith, Housing Action Coalition

Mary Jung and Jay Cheng, San Francisco Association of Realtors

Daniel Herzstein, San Francisco Chamber of Commerce

Mike Grisso, Kilroy Realty Corporation

Eric Tao, L37 Development

Ross Edwards, Build Group

Oz Erickson and Marc Babsin, Emerald Fund

Chris Rivielle, Plant Construction

Dan Safier and Craig Greenwood, Prado Group

Cyrus Sanandaji, Presidio Bay Ventures

Bill Witte, Related California

Greg Vilkin, The BayLands Company

Maggie Kadin, Tishman Speyer

Michael Covarrubias, TMG Partners

Matt Rossie, Webcor Builders

Christopher Meany, Wilson Meany

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ■ 2. Request for next printed agenda (For Adoption Without Committee Reference)
  (Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor _____ inquiries…"
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. _____ from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No. _____
- ☐ 9. Reactivate File No. _____
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Preston, Peskin, Ronen, Walton, Chan, Melgar

Subject:

Supporting The Justice for Renters Act - California State Proposition - November 5, 2024 Ballot

Long Title or text listed:

Resolution supporting The Justice for Renters Act, a California State Proposition on the November 5, 2024, ballot; and reaffirming the City and County of San Francisco ' s support for repeal of the Costa-Hawkins Rental Housing Act

Signature of Sponsoring Supervisor: _____