

BOARD of SUPERVISORS



City Hall
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MEMORANDUM

TO: Robert Collins, Executive Director, Rent Board
Sheryl Evans Davis, Director, Human Rights Department

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: September 15, 2020

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Ronen on September 15, 2020:

File No. 201069

Resolution supporting California State Proposition 21, Keep Families in Their Homes, on the November 3, 2020, ballot.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

1 [Supporting California State Proposition 21 - Keep Families in Their Homes - November 3,
2 2020 Ballot]

3 **Resolution supporting California State Proposition 21, Keep Families in Their Homes,**
4 **on the November 3, 2020, ballot.**

5
6 WHEREAS, The San Francisco Rent Ordinance (SF Administrative Code, Chapter 37)
7 was enacted effective June 13, 1979, to alleviate the city's housing crisis; and

8 WHEREAS, California passed the Costa-Hawkins Rental Housing Act in 1995,
9 severely limiting municipal rent control ordinances by prohibiting rent control on single-family
10 and condominium units, prohibiting vacancy control, and exempting new units built after 1995,
11 or, for cities with existing rent control, all units built after the local rent control ordinance, which
12 for San Francisco was 1979; and

13 WHEREAS, More than 54% of Californians are currently rent-burdened
14 [<https://calbudgetcenter.org/resources/californians-parts-state-pay-can-afford-housing/>] and
15 almost one-third are severely rent-burdened, meaning they are spending more than half of
16 their incomes on rent; and

17 WHEREAS, People of color make up more than two-thirds (68.2%) of Californians
18 facing unaffordable housing costs [[https://calbudgetcenter.org/resources/californians-parts-](https://calbudgetcenter.org/resources/californians-parts-state-pay-can-afford-housing/)
19 [state-pay-can-afford-housing/](https://calbudgetcenter.org/resources/californians-parts-state-pay-can-afford-housing/)]; and

20 WHEREAS, A significant majority of San Francisco's households (65%) rent their place
21 of residence [[https://default.sfplanning.org/publications_reports/Housing-Needs-and-Trends-](https://default.sfplanning.org/publications_reports/Housing-Needs-and-Trends-Report-2018.pdf)
22 [Report-2018.pdf](https://default.sfplanning.org/publications_reports/Housing-Needs-and-Trends-Report-2018.pdf)]; and

23 WHEREAS, As of 2018, nearly one-quarter of rental units in San Francisco were not
24 subject to rent control [[https://default.sfplanning.org/publications_reports/Housing-Needs-and-](https://default.sfplanning.org/publications_reports/Housing-Needs-and-Trends-Report-2018.pdf)
25

1 [Trends-Report-2018.pdf](#)], a number that has increased as more new unrestricted units have
2 been constructed; and

3 WHEREAS, Despite some recent reductions in market-rate rents due to COVID, rents
4 remain far out of reach for many, at an average asking rent for a two-bedroom of \$3,922 per
5 month [<https://www.zumper.com/rent-research/san-francisco-ca>] far out of reach for many,
6 and 40 percent more than the full monthly pay for someone working at San Francisco
7 minimum wage; and

8 WHEREAS, The cost of housing has forced many in the San Francisco workforce -
9 including teachers, police officers, healthcare workers, first responders, and the newly
10 recognized category of "essential workers," which includes those working in groceries,
11 pharmacies, public transit, construction, hardware, and more - to live farther away from work
12 to find housing they can afford, resulting in unsustainable commutes, dangerous
13 environmental impacts, and a risk to our city's ability to function; and

14 WHEREAS, Proposition 21, Keep Families in Their Homes, is an initiative ordinance on
15 the November 3, 2020, ballot that would significantly amend California Civil Code, Sections
16 1954.50 through 1954.53, now known as the Costa-Hawkins Rental Housing Act; and

17 WHEREAS, Proposition 21 would rename California Civil Code, Sections 1954.50
18 through 1954.53 the Rental Affordability Act; and

19 WHEREAS, This measure would allow local governments to adopt rent control on
20 housing units, with exceptions for units first occupied within the last 15 years and units owned
21 by natural persons who own no more than two single-family units; and

22 WHEREAS, Proposition 21 would allow local governments to prohibit landlords from
23 imposing rent increases over 15 percent during the first three years following a vacancy; and

24 WHEREAS, By replacing Costa-Hawkins, Proposition 21 would allow cities to have
25 more flexibility in governing affordable housing needs in their communities, to ensure that

1 existing vacant rent-controlled housing stock is made available to residential tenants, and to
2 strengthen rent stabilization measures; and

3 WHEREAS, In 2017, the City and County of San Francisco indicated its support for
4 California State Assembly Bill 1506 (Chiu), which would have repealed Costa-Hawkins; and

5 WHEREAS, In 2019, California passed AB 1482, which caps rent increases for the
6 next ten years statewide at five percent plus local rate of inflation, and which expires on
7 January 1, 2030; and

8 WHEREAS, Under the San Francisco Rent Stabilization Ordinance, rent increases on
9 rent-controlled units is calculated at 60% of the local rate of inflation, which for the period
10 starting March 1, 2020, was 1.8%, plus allowable pass-throughs; and

11 WHEREAS, Proposition 21 is sponsored and/or endorsed by the California Democratic
12 Party, AIDS Healthcare Foundation, Housing Now, the American Civil Liberties Union, the
13 San Francisco Tenants Union, local jurisdictions and elected officials, and a broad network of
14 labor, housing advocacy, community, and faith-based organizations throughout the state; and

15 WHEREAS, According to the California Secretary of State website, the California
16 Apartment Association has already spent nearly \$28 million to defeat this measure; and

17 WHEREAS, In 2018, the City and County of San Francisco formally endorsed
18 Proposition 10, the Affordable Housing Act, on the November 6, 2018, ballot, to repeal the
19 Costa Hawkins Rental Housing Act; and

20 WHEREAS, Proposition 10 in 2018 was defeated statewide, but a majority of San
21 Francisco voters voted in favor; and

22 WHEREAS, Proposition 21, on the November 3, 2020, ballot, is modeled after
23 Proposition 10 in 2018, but unlike that proposition, Proposition 21 exempts from new rent
24 control ordinances homes owned by landlords who only own up to two homes; now, therefore,
25 be it

1 RESOLVED, That the City and County of San Francisco hereby formally endorses
2 Proposition 21, Keep Families in Their Home, on the November 3, 2020, ballot; and, be it

3 FURTHER RESOLVED, That the City and County of San Francisco go on record in
4 support of the Proposition 21, Keep Families in Their Home, on the November 3, 2020, ballot;
5 and, be it

6 FURTHER RESOLVED, That the City and County of San Francisco urges other
7 municipalities to support Proposition 21, Keep Families in Their Home, on the November 3,
8 2020, ballot.

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Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

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

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

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

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only