

From: [anastasia Yovanopoulos](#)
To: [Mandelman, Rafael \(BOS\)](#); [Young, Victor \(BOS\)](#)
Cc: [Peskin, Aaron \(BOS\)](#); [Melgar, Myrna \(BOS\)](#); [Preston, Dean \(BOS\)](#); [Ronen, Hillary \(BOS\)](#); [Chan, Connie \(BOS\)](#); [Walton, Shamann \(BOS\)](#); [Calvillo, Angela \(BOS\)](#); [Engardio, Joel \(BOS\)](#); [Dorsey, Matt \(BOS\)](#); [Safai, Ahsha \(BOS\)](#); [Stefani, Catherine \(BOS\)](#)
Subject: "No Property Tax Increase" pass-throughs to tenants
Date: Thursday, April 11, 2024 3:01:22 PM

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Dear Supervisor Mandelman and fellow Supervisors,

The San Francisco Tenants Union supports the proposed legislation ([File 240174](#)) to update and reform the Rent Law's provision for pass-through of property tax increases due to the passage of General Obligation (G.O.) Bonds.

It's a fact that the City does not raise property taxes for G.O. Bonds. New bonds are only issued as old ones are retired. Under the Rent Law, tenants are paying a pass-through for a cost increase that no longer exists. Due to the issuance of City and County G.O. Bonds. Since 2005 tenants have been charged and have been paying for increases in property taxes when there have been no such increases. So, while property owners benefit from the "No Tax Increase" policy, tenants do not.

The legislation provides that the G.O. Bond Pass-Throughs will be calculated based upon the amount the property tax rate has increased due to general obligation bonds since the tenant's move-in date, or 2005, whichever is later. The result will be that the City's G.O. Bonds issued pursuant to the Capital Plan's "No Property Tax Increase" provision will not result in pass-throughs to tenants.

Other provisions of the legislation would allow tenants to seek relief based on financial hardship and would require landlords to file a copy of their bond pass-through worksheet with the Rent Board, a process that mimics one already in place for certain utility pass-throughs. The legislation will not result in a significant increase in workload for the Rent Board.

We urge you to support this legislation and consider joining as a co-sponsor.

Sincerely,
Anastasia Yovanopoulos, on behalf of
SF Tenants Union Steering Committee



April 11th, 2024

the Honorable Supervisors Ronen, Walton, and Safai
Members of the Rules Committee
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA, 94102

Re: [File 240174](#) Bond Pass-Throughs to Tenants

Dear Chair Ronen, Supervisor Walton, and Supervisor Safai,

I am writing on behalf of the Council of Community Housing Organizations to express our support for the Bond Pass-Through to Tenants legislation.

Bond financing is the most significant and consistent local revenue source to finance our city's core infrastructure needs, including the production and preservation of affordable housing, enabling our city to match the scale of our public investments with the citywide goals we have adopted. This legislation would update and reform the city's policy regarding pass-throughs of property tax increases following the passage of General Obligation Bonds so that landlords and tenants may share the burden of property tax increases that result from general obligation bond debt in a manner that reflects the City's debt management policies.

Since 2005, the City has adhered to a policy of issuing new General Obligation Bonds only when previous bond debt has been retired. This policy goal enables the city to not raise property taxes every time a new bond is issued. Unfortunately, the benefits of this policy have not been evenly shared among property owners and tenants. In recent years, San Francisco has experienced an increase in corporate ownership of rent-stabilized buildings. Some landlords in this category have raised tenant rents despite there being no actual costs for them to pass through. So, while property owners benefit from the "No Tax Increase" policy, tenants do not.

The legislation provides that the Bond Pass-throughs be calculated based upon the amount the property tax rate has increased from general obligation bonds since the tenant's move-in date, or 2005, whichever is later. The result will be that the City's General Obligation Bonds issued pursuant to the Capital Plan's "No Property Tax Increase" provision will not result in pass-throughs to tenants. Other provisions of the legislation would allow tenants to seek relief based on financial hardship and would require landlords to file a copy of their bond pass-through worksheet with the Rent Board, a process that mimics one already in place for certain utility pass-throughs. The legislation will not result in a significant increase in workload for the Rent Board.

We urge you to support this legislation.

Sincerely,

Charlie Sciammas
Policy Director



April 11, 2024

Supervisor Hillary Ronen
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA, 94102

Re: [File 240174](#), assigned to Rules, under the 30 day rule – Bond Pass-Throughs to Tenants

Dear Supervisor Ronen,

We are writing to thank you for sponsoring legislation ([File 240174](#)) to update and reform the Rent Law's provision for pass-through of property tax increases due to the passage of General Obligation (G.O.) Bonds.

Since 2005, the City has adhered to a “No Tax Increase” policy articulated in the City’s Capital Plan when issuing bonds. Simply put, the City does not raise property taxes for G.O. Bonds. New bonds are only issued as old ones are retired. Even so, **under the Rent Law, tenants are paying a pass-through for a cost increase that no longer exists**. So, while property owners benefit from the “No Tax Increase” policy, tenants do not.

During this time, San Francisco has experienced an increase in corporate ownership of rent-stabilized buildings. The business plan of these corporate owners, Veritas being perhaps the most prominent, has been, in part, to specifically purchase buildings with possible but previously unimposed rent increases, promising their investors a return based upon the anticipated increases, and then immediately imposing them after purchase.

Nothing has been more pernicious than speculative rent increases based upon cost recovery of a **cost increase that does not exist**. Tenants have been paying for increases in property taxes due to the issuance of City and County G.O. Bonds when, since 2005, there have been no such increases.

This legislation will update the relevant Rent Law Bond Pass-Through provision to reflect the “No Property Tax Increase” policy in effect since 2005. City and County G.O. Bonds that adhere to the Capital Plan and therefore do not result in property tax increases for landlords will, by the same token, not result in Bond Pass-Throughs for tenants.

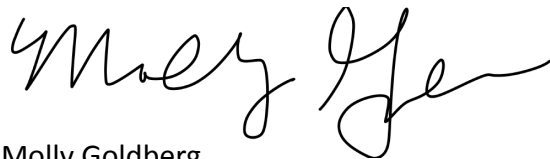
The legislation provides that the G.O. Bond Pass-Throughs will be calculated based upon the amount the property tax rate has increased due to general obligation bonds since the tenant’s move-in date, or 2005, whichever is later. **The result will be that the City’s G.O. Bonds issued**

pursuant to the Capital Plan's "No Property Tax Increase" provision will not result in pass-throughs to tenants.

Other provisions of the legislation would allow tenants to seek relief based on financial hardship and would require landlords to file a copy of their bond pass-through worksheet with the Rent Board, a process that mimics one already in place for certain utility pass-throughs. The legislation will not result in a significant increase in workload for the Rent Board.

We appreciate your leadership in this common-sense effort.

Sincerely,



Molly Goldberg
Director, San Francisco Anti-Displacement Coalition
and:

Affordable Housing Alliance
AIDS Legal Referral Panel
Asian Law Caucus
Bill Sorro Housing Program (BiSHoP)
Causa Justa Just Cause
Housing Rights Committee of San Francisco

North Beach Tenants Committee
San Francisco Anti-Displacement Coalition
San Francisco Community Land Trust
San Francisco Tenants Union
South of Market Community Action
Veritas Tenants Association



From: [T.Flandrich](#)
To: [Ronen, Hillary \(BOS\)](#); [Walton, Shamann \(BOS\)](#); [Safai, Ahsha \(BOS\)](#)
Cc: [Peskin, Aaron \(BOS\)](#); [Angulo, Sunny \(BOS\)](#); [Young, Victor \(BOS\)](#); [Chan, Connie \(BOS\)](#); [Stefani, Catherine \(BOS\)](#); [Engardio, Joel \(BOS\)](#); [Preston, Dean \(BOS\)](#); [Dorsey, Matt \(BOS\)](#); [Melgar, Myrna \(BOS\)](#); [Mandelman, Rafael \(BOS\)](#); [Calvillo, Angela \(BOS\)](#)
Subject: Item #2 File 240174 Administrative, Municipal Elections Codes - General Obligation Bond Passthroughs SUPPORT
Date: Sunday, April 14, 2024 11:35:01 AM

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12. April 2024

Dear Chair Ronen, Supervisor Walton and Supervisor Safai,

I am writing in support of this common sense legislation which will primarily update the relevant Rent Law pass-through provision to reflect the “No Property Tax Increase” policy.

This update and clarification is obviously needed, not only because the outdated provision in the Rent Law has been producing significant Pass-Throughs for Property Tax Increases, ostensibly due to the passage of those same G.O. Bonds, when in fact those property tax increases do not exist, but also because of apparent confusion for both tenants and landlords.

As seen in some of the public comment letters, the mischaracterization of this legislation by MB Property Group (headquartered in Mill Valley) along with its affiliates, underscores the necessity for absolute clarity.

I want to thank President Peskin for bringing this forward today, and thank those of you who have already signed

on as co-sponsors. Please pass this legislation with recommendation to the full Board.

Theresa Flandrich
North Beach Tenants Committee