

File No. 221287

Committee Item No. \_\_\_\_\_

Board Item No. 23

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

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Date: \_\_\_\_\_

Board of Supervisors Meeting

Date: January 10, 2023

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- California Assembly Bill No. 12 text
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- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
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- \_\_\_\_\_

Prepared by: Jocelyn Wong

Date: January 6, 2023

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Supporting California State Assembly Bill No. 12 (Haney) - Security Deposits]

2

3 **Resolution supporting California State Assembly Bill No. 12, Security Deposits,**  
4 **authored by Assembly Member Matt Haney, to limit the maximum amount of rental**  
5 **security deposits at one month's rent.**

6

7 WHEREAS, Rental costs in California continue to rise and the average rent in San  
8 Francisco ranges from \$3550 for a one-bedroom apartment to \$5000 for a two-bedroom  
9 apartment; and

10 WHEREAS, The current California Law allows landlords to charge two times the rent  
11 and in some cases three times the monthly rent for a security deposit; and

12 WHEREAS, That means in San Francisco, renters may need to pay as much as  
13 \$12,000 or \$15,000 for their security deposit in order to move in; and

14 WHEREAS, This high amount for security deposits creates a huge barrier for renters  
15 by causing some renters to borrow from predatory lenders or go in debt in order to access  
16 housing; and

17 WHEREAS, When renters cannot afford a security deposit, they may be forced to stay  
18 in crowded, insufficient, or even unsafe living situations and some may remain unhoused as a  
19 result; and

20 WHEREAS, While inflation has increased the cost of repairs for wear and tear on  
21 apartments, it remains far below the increase in the costs of security deposits due to  
22 skyrocketing rents; and

23 WHEREAS, For example, the rent in the City of Los Angeles has increased by over  
24 65% in the last decade, however, the cost of repairs has risen by far less; and

25

1           WHEREAS, Assembly Bill No. 12 (AB 12), introduced by Assembly Member Matt  
2 Haney, will limit the maximum amount for rental security deposits at one month's rent; and

3           WHEREAS, AB 12 will have no effect on potential-liability as landlords will still be able  
4 to seek damages from tenants who are responsible for harm to the property that exceeds the  
5 amount of the security deposit; and

6           WHEREAS, California passed a law with bipartisan support to set the maximum  
7 amount for security deposits for military service members at one month's rent; and

8           WHEREAS, If AB 12 passes, California will be the twelfth state in the country, joining  
9 states such as New York, Kansas, Hawaii, and Alabama, to limit security deposits to only one  
10 month's rent; and

11           WHEREAS, the City and County of San Francisco recognizes the housing affordability  
12 challenges that have been rising over the last decade and the barriers to accessing housing;  
13 now, therefore, be it

14           RESOLVED, That the San Francisco Board of Supervisors hereby supports California  
15 Assembly Bill No. 12 and urges the California State Legislature to pass this bill in order to  
16 remove barriers to housing for all California renters; and, be it

17           FURTHER RESOLVED, That the Board of Supervisors hereby directs the Clerk of the  
18 Board to transmit a copy of this Resolution to the California Senate President pro Tempore  
19 Toni Atkins, California Assembly Speaker Anthony Rendon, Governor Gavin Newsom, and  
20 the Bill's primary sponsor, Assembly Member Matt Haney.

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 1950.5 of the Civil Code is amended to read:

1950.5. (a) This section applies to security for a rental agreement for residential property that is used as the dwelling of the tenant.

(b) As used in this section, "security" means any payment, fee, deposit, or charge, including, but not limited to, any payment, fee, deposit, or charge, except as provided in Section 1950.6, that is imposed at the beginning of the tenancy to be used to reimburse the landlord for costs associated with processing a new tenant or that is imposed as an advance payment of rent, used or to be used for any purpose, including, but not limited to, any of the following:

(1) The compensation of a landlord for a tenant's default in the payment of rent.  
(2) The repair of damages to the premises, exclusive of ordinary wear and tear, caused by the tenant or by a guest or licensee of the tenant.

(3) The cleaning of the premises upon termination of the tenancy necessary to return the unit to the same level of cleanliness it was in at the inception of the tenancy. The amendments to this paragraph enacted by the act adding this sentence shall apply only to tenancies for which the tenant's right to occupy begins after January 1, 2003.

(4) To remedy future defaults by the tenant in any obligation under the rental agreement to restore, replace, or return personal property or appurtenances, exclusive of ordinary wear and tear, if the security deposit is authorized to be applied thereto by the rental agreement.

(c) (1) Except as provided in paragraph ~~(2), (3), or (4)~~, ~~(2) or (3)~~ a landlord may not demand or receive security, however denominated, in an amount or value in excess of an amount equal to ~~two~~ one months' rent, in the case of unfurnished residential property, and an amount equal to ~~three~~ two months' rent, in the case of furnished residential property, rent, in addition to any rent for the first month paid on or before initial occupancy.

~~(2) Notwithstanding paragraph (1), and except as provided in subparagraphs (A) and (B), a landlord shall not demand or receive security, however denominated, from a service member who rents residential property in which the service member will reside in an amount or value in excess of an amount equal to one months' rent, in the case of unfurnished residential property, or in excess of an amount equal to two months' rent, in the case of furnished residential property, in addition to any rent for the first month paid on or before initial occupancy. A landlord shall not refuse to enter into a rental agreement for residential property with a prospective tenant who is a service member because this paragraph prohibits the landlord from demanding or receiving a greater amount of security than that which is established in paragraph (1). For purposes of this paragraph, "service member" has the same meaning as in Section 400 of the Military and Veterans Code.~~

~~(A) A landlord may demand or receive security from a service member who rents residential property in which the service member will reside as provided in paragraph (1), if the tenant has a history of poor credit or of causing damage to the rental property or its furnishings.~~

~~(B) This paragraph does not apply to a situation in which the property is rented to a group of individuals, one or more of whom is not the service member's spouse, parent, domestic partner, or dependent.~~



**From:** [Gee, Natalie \(BOS\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Walton, Shamann \(BOS\)](#)  
**Subject:** Walton - Introduction - Resolution in Support of AB12  
**Date:** Wednesday, December 14, 2022 8:57:14 AM  
**Attachments:** [Walton - Reso - AB12.doc](#)  
[AB 12 Language - Crossing\[44\].pdf](#)  
[Introduction Form - AB 12.pdf](#)

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Good morning Clerk Team,

Attached is President Walton's Introduction Form, Resolution in Support of AB 12, and text of AB 12. We can confirm that this matter is routine and not contentious in nature, and of no special interest.

The CSAC and LCC have not taken a position on this bill.

Thank you,  
Natalie

**Natalie Gee** 朱凱勤, Chief of Staff

**Supervisor Shamann Walton, District 10**

**President, Board of Supervisors**

1 Dr. Carlton B. Goodlett Pl, San Francisco | Room 282

**Direct:** 415.554.7672 | **Office:** 415.554.7670

**District 10 Community Events Calendar:** <https://bit.ly/d10communityevents>

## 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  inquires..."
- 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):

Walton

Subject:

Supporting Assembly Bill No. 12 – Security Deposits

Long Title or text listed:

Resolution supporting California State Assembly Bill No. 12, Security Deposits, authored by Assembly Member Matt Haney, to limit the maximum amount of rental security deposits at one month's rent.

Signature of Sponsoring Supervisor: /s/ Shamann Walton