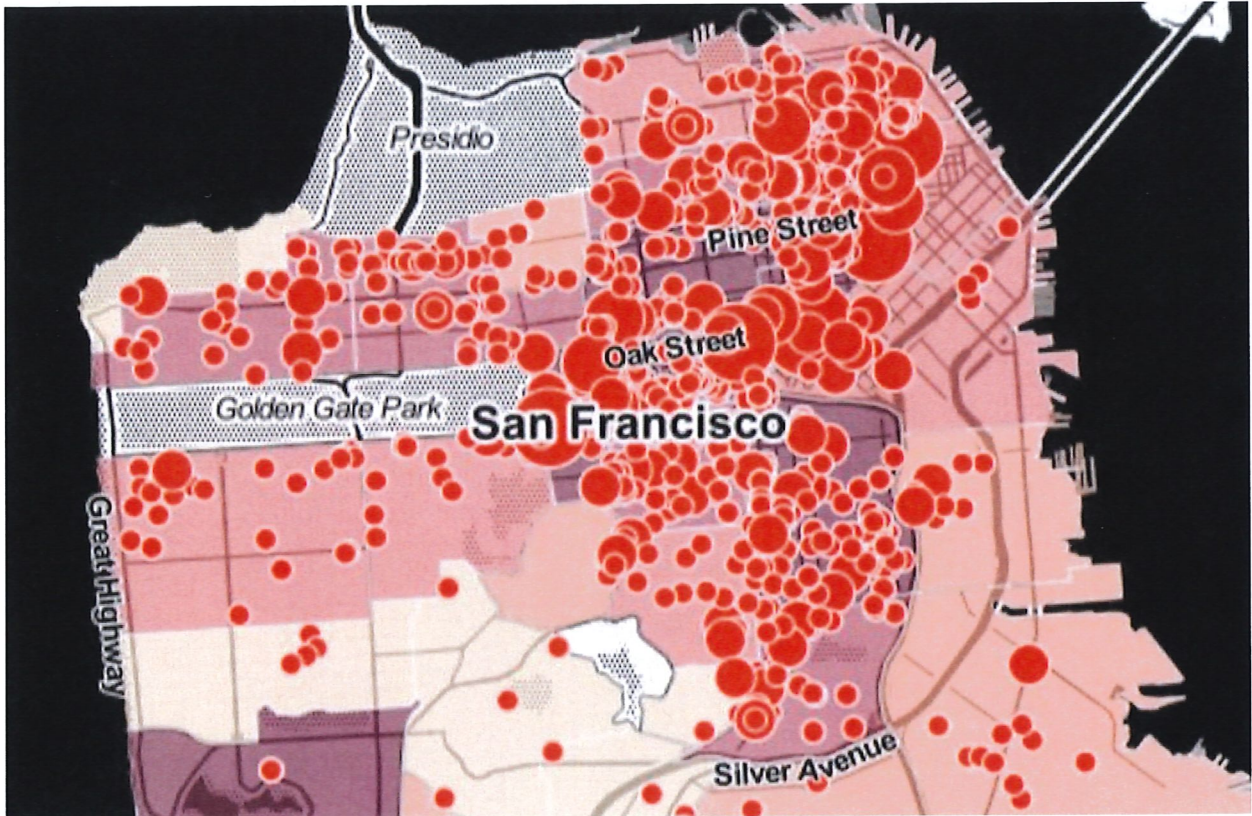


POLICY BRIEF: STOPPING DISPLACEMENT BY RENOVATION

Shelby Nacino, Asian Americans Advancing Justice - Asian Law Caucus

Gen Fujioka, Chinatown Community Development Center

September 22, 2019



(Concentrations of 'temporary' evictions for renovations from 1998-2019 --Anti Eviction Mapping Project)

THE PROBLEM:

San Francisco's rent ordinance allows owners to temporarily evict tenants for renovations. These are 'no fault' evictions, i.e., tenants have done nothing wrong,, yet unlike other no-fault evictions, city policies offer only a minimal and generally insufficient safety net for those displaced.

Landlords report they have issued more than 400 renovation-related temporary eviction notices since January 2017. While many temporary evictions are based upon necessary repairs or upgrades, some landlords and their attorneys use the process to permanently displace tenants. Even when a landlord acts in good faith, the hardships imposed on tenants can be extreme with

particularly harsh impacts on vulnerable populations unable to secure safe and affordable alternative housing.

Unjust consequences of existing policies:

- **Rent Board practices provide little incentive to owners to minimize the duration of displacement.** The Rent Ordinance generally limits temporary evictions to a period of three months. However, the Rent Board regularly allows owners to apply for extensions resulting in “temporary” evictions for months or a year or more. In approving extensions Rent Board hearing officers regularly fail to consider whether nonessential work should be performed without displacement and fail to require owners to mitigate the harm of lengthier evictions on tenants.
- **Relocation payments are the same whether a displacement is for three months or a year or more.** Tenants are only offered a fixed relocation payment *irrespective of the duration of the displacement* (\$6,980 for a single non-senior tenant; \$11,634 for a senior, disabled person, or single tenant with minor children). For low-income families and senior or disabled tenants living on fixed incomes, the relocation payment is insufficient to find and keep alternative housing particularly when evictions extend to six months to a year or even beyond.
- **Vulnerable tenants are being forced out of San Francisco or into homelessness when they can’t find temporary housing.** Vulnerable tenants are disproportionately harmed by the inadequacy of relocation assistance, lengthy waiting lists for affordable housing, and renovation projects with uncertain completion dates. Senior tenants have found that many landlords are unwilling to rent to them-- especially when the period of displacement is uncertain. Displacement by renovations have become known as “renovictions.”
- **Landlords use the threat of temporary evictions to force out rent-controlled tenants.** Some landlord attorneys threaten tenants with renovation eviction notices as a deliberate strategy to motivate tenants to move, enabling landlords to avoid filing mandatory reports of an eviction or buy out. The inadequate support for vulnerable tenants facing such evictions create the environment for such abuse to occur.

Aside from the relocation assistance provided by the landlord, **the city presently offers no safety net for tenants forced out for renovations** even when such displacement may be associated with a city initiated or mandated program (such as the seismic soft story ordinance or renovations to accommodate new ADU construction). Unlike other forms of no-fault evictions, the city offers no preferential access to affordable housing even for extremely low income tenants.

SUPERVISOR PESKIN’S PROPOSAL

The legislation authored by Supervisor Peskin will increase opportunities to mitigate the acute hardships imposed on tenants by the city’s temporary eviction law. With the

amendments to be introduced September 23, the proposal will enable some displaced tenants to find temporary housing replacement and will require the Rent Board to apply stricter standards in allowing displacements longer than three months. Specifically the proposal will:

- **Establish a city affordable housing preference for temporarily displaced tenants providing relief for vulnerable tenants and preserving existing affordable housing.**
 - **A temporary preference preserves rent-controlled tenancies.** Because the preference will last only for the duration of the renovation project -- i.e. will be *temporary*, the preference for temporarily displaced tenants will facilitate tenants returning to their rent controlled housing. Preserving rent-controlled tenancies maximizes the use of existing affordable housing.
 - **The preference does not compete with existing preferences.** Because this preference would rank fourth (*after* certificate of preference holders, previously displaced applicants, and neighborhood applicants) it would not compete with existing preferences.
 - **Tenants will be better positioned to stand up to renovictions.** Under the proposal displaced tenants will be able to apply the relocation assistance as a rent subsidy, expanding their eligibility for a larger number of affordable units. Expanding opportunities for housing for displacees strengthens the capacity of tenants to stand up to predatory eviction threats and predatory buy outs.
- **Reform the temporary eviction process so that landlords do not get rubber stamp approvals for evictions beyond three months.**
 - **Landlords are responsible for minimizing the duration of tenant displacement.** The legislation will clarify that the temporary eviction law requires that owners minimize the duration of tenant displacement.
 - **The Rent Board should be required to consider tenant hardship when landlords request extensions for nonessential work.** The legislation will require the Rent Board to consider tenant hardship where the work is the equivalent of 'elective surgery' such as unnecessary upgrades to convert existing housing for upscale uses. This increased Rent Board oversight will encourage owners to plan construction plans and schedules to minimize the length of displacement and screen out 'gold plated' renovations. Owners will still be able to proceed with lengthier displacements for nonessential work if they adequately mitigate tenant hardship such as by providing alternative housing.

These combined reforms are an important step towards developing a more coordinated and concerted strategy to prevent displacement and stem the loss of the city's racial, cultural and economic diversity. As private market, often encouraged by public policies, upgrade and upscale existing housing, it is essential that public policies also do more to regulate and mitigate the human costs imposed by that change on working families, seniors and other vulnerable residents.

社區住客聯會

September 20, 2019

Dear Supervisors Ronen, Walton, and Mar:

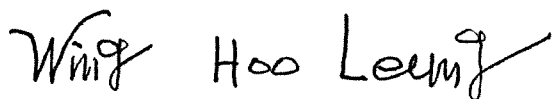
The Community Tenants Association fully supports Supervisor Peskin's proposal to help tenants evicted for renovations and repairs. While owners claim these evictions are 'temporary,' the hardship and suffering caused to tenants can be long lasting.

Presently tenants can be forced from their homes for many months. But finding other housing is often impossible for immigrant families and seniors on fixed incomes.

The problem is made worse because too many landlords are improving buildings only to attract the wealthy. We are losing too many friends and neighbors because of evictions.

Supervisor Peskin's proposal will help to control these evictions and find temporary affordable housing for seniors and families. We strongly support this proposal.

Sincerely

A handwritten signature in black ink that reads "Wing Hoo Leung". The signature is written in a cursive, flowing style.

Wing Hoo Leung
President
Community Tenants Association