

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

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

6
7 WHEREAS, Between 1978 and 1995, about a dozen California cities including San
8 Francisco, Los Angeles, Santa Monica, West Hollywood, Oakland, Hayward, East Palo Alto,
9 and others, adopted local rent control laws; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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