

1 [Intent to Expand Local Rent Control Protections]

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3 **Resolution declaring the Board of Supervisors intent to expand local rent control**
4 **protections to go into effect if the Costa-Hawkins Act is repealed via ballot measure on**
5 **November 5, 2024.**

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7 WHEREAS, State preemption occurs when a state legislature restricts or withdraws the
8 authority of local government to act on a particular issue of local concern; and

9 WHEREAS, State preemption has been used by corporate lobbyists as a strategy to
10 stifle local governments' ability to engage in innovative progressive policymaking; and

11 WHEREAS, In the last decade, state preemption has increased, especially in
12 Republican-controlled state legislatures, primarily orchestrated by the American Legislative
13 Exchange Council (ALEC), an industry-funded trade organization, which has in many states,
14 restricted local government's ability to regulate the minimum wage, paid sick days,
15 Transportation Network Companies (TNC's), municipal broadband, sanctuary city policies, fair
16 scheduling, short-term rentals, inclusionary zoning, and rent regulation; and

17 WHEREAS, Coalitions of stakeholders, advocates and local governments across the
18 nation have pushed back on harmful state preemption, and sought to return the right of local
19 governments to innovate in areas of policy to protect workers, consumers, tenants and the
20 environment; and

21 WHEREAS, California, along with 30 other states, preempts and limits local
22 governments' ability to enact rent control or add vacancy decontrol through the Costa-
23 Hawkins Act, a state law which exempts rent control on buildings built after 1995 or backdated
24 to the date of the enactment of a local rent control ordinance, which is after June 1979 in San
25 Francisco; and

1 WHEREAS, 35% of renter households overall are rent burdened in San Francisco
2 according to California Housing Partnership data, and for very low-income renter households
3 that figure jumps to 61%, as defined by those paying 30% or more of their income on rent,
4 and median rents have risen in San Francisco to \$2,950 for one-bedroom units, and \$3,950
5 for two-bedroom units, according to May 2024 data from a national report on rental trends in
6 major cities; and

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

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

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

21 WHEREAS, On July 9, 2024, the San Francisco Board of Supervisors adopted Board
22 File No. 240684 [Supporting the Justice for Renters Act - California State Proposition -
23 November 5, 2024 Ballot] by a supermajority vote of 8-2, adopting an official city policy
24 position in support of a statewide proposition to repeal the Costa-Hawkins Act for the
25 November 5, 2024 election; and

1 WHEREAS, The City of San Francisco may enact laws which go into effect upon the
2 removal of state preemption; now, therefore, be it

3 RESOLVED, That the City and County of San Francisco affirms its support for strong
4 rent control to protect tenants and respond to tenants' needs for affordable, stable, and secure
5 housing; and, be it

6 FURTHER RESOLVED, That the City and County of San Francisco objects to state
7 interference driven by corporate interests, and specifically state preemption of local rent
8 control laws; and, be it

9 FURTHER RESOLVED, That the San Francisco Board of Supervisors intends to enact
10 a local law to expand local rent control protections that will go into effect if the Costa-Hawkins
11 Act is repealed via ballot measure on November 5, 2024.

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