

1 [Supporting California State Assembly Bill 1506 (Bloom) - Repealing the Costa-Hawkins Act]

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3 **Resolution urging the Mayor and the Board of Supervisors to support California State**  
4 **Assembly Bill 1506, authored by Assembly Member Richard Bloom, repealing the**  
5 **Costa-Hawkins Act.**

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7 WHEREAS, Rent control has provided seniors, the disabled, and low income tenants  
8 with stabilized housing and maintained the integrity of San Francisco's neighborhoods; and

9 WHEREAS, Evictions due to rent de-control and the sale of buildings subject to rent  
10 control have led to thousands of tenants being displaced under Ellis Act and Costa Hawkins  
11 evictions, and skyrocketing rents are destabilizing San Francisco's communities; and

12 WHEREAS, Adopted in 1995, the Costa-Hawkins Rental Housing Act  
13 exempted housing built after 1995 from local rent control requirements, exempted all single-  
14 family homes from local rent control requirements, and required all local rent control laws to  
15 contain vacancy decontrol provisions, among other provisions; and

16 WHEREAS, Under the Costa-Hawkins Rental Housing Act, landlords are permitted to  
17 raise rents in cities where rent control is in effect once these units are vacated; and

18 WHEREAS, According to data from the Rent Stabilization Board, in 1979 the year  
19 when San Francisco's Rent Stabilization Ordinance was passed, the median gross rent for a  
20 2-bedroom apartment was \$435 (\$1,007 in 2017 dollars); and

21 WHEREAS, In 2017, the average rent for a 2-bedroom apartment is \$4,555; and

22 WHEREAS, While the cumulative rate of inflation from 1979 - 2017 was 131.5%, new  
23 tenants experienced an increase of 352% for 2 bedroom units, an increase of nearly 3 times  
24 as much as the rate of inflation; and

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1           WHEREAS, In *Palmer v. City of Los Angeles* (2009), the Second District California  
2 Court of Appeal held that the Costa-Hawkins Rental Housing Act prohibits local governments  
3 from mandating rent restrictions on inclusionary units in new rental housing developments,  
4 as the act gives landowners the right to set the initial rent level at the start of a tenancy; and

5           WHEREAS, California State Assembly Bill 1506 (AB 1506) would repeal the Costa-  
6 Hawkins Rental Housing Act; and

7           WHEREAS, By repealing Costa-Hawkins, cities would have more flexibility in  
8 governing affordable housing needs in their communities and the City and County of San  
9 Francisco would be able to strengthen its Rent Stabilization program if AB 1506 were to pass;  
10 now, therefore, be it

11           RESOLVED, That by the adoption of this Resolution, the City and County of San  
12 Francisco hereby includes in its 2017-2018 State Legislative Program support of AB 1506  
13 (Bloom) which would repeal the Costa-Hawkins Rental Housing Act; and, be it

14           FURTHER RESOLVED, That the San Francisco Board of Supervisors hereby directs  
15 the Clerk of the Board to transmit copies to the Assembly of the State of California with a  
16 request to take all action necessary to achieve the objectives of this Resolution.

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