

File No. 180785

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

Board Item No. 30

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: \_\_\_\_\_

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

Board of Supervisors Meeting

Date: September 4, 2018

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- California State Proposition 10
- \_\_\_\_\_
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- \_\_\_\_\_
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Prepared by: Jocelyn Wong

Date: August 30, 2018

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

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

1 [Supporting California State Proposition 10 - The Affordable Housing Act - November 6, 2018  
Ballot]

2  
3 **Resolution supporting California State Proposition 10, The Affordable Housing Act, on**  
4 **the November 6, 2018, 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, Since the housing affordability crisis of the late 1970s when cities across  
8 California first passed rent control ordinances in response to surging real estate values and  
9 interest rates, rent control has strengthened the fabric of California neighborhoods and  
10 provided residential tenants, including low-income, senior and disabled residents, with stable  
11 housing; and

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

16 WHEREAS, Four decades after rent control measures were first enacted and over two  
17 decades following the implementation of Costa-Hawkins, California is once again in the midst  
18 of a housing crisis the likes of which have rarely been seen, characterized by skyrocketing  
19 rents and eviction rates; and

20 WHEREAS, In 1979 when the City and County of San Francisco passed its own Rent  
21 Stabilization Ordinance, the median gross rent for a 2-bedroom apartment was \$435 per  
22 month, equivalent to approximately \$1,007 in 2018 dollars, according to data available at the  
23 San Francisco Rent Board; and

1           WHEREAS, According to available data, the average rent for a 2-bedroom apartment  
2 in San Francisco as of the introduction of this Resolution is over \$4,500 per month, exceeding  
3 the cumulative rate of inflation since 1979 by nearly 300 percent; and

4           WHEREAS, The rising costs of housing and inability to expand rent stabilization or  
5 vacancy control in California urban centers in particular have contributed to increased traffic  
6 congestion and consequent environmental harm by forcing San Francisco workers - including  
7 teachers, police officers, service industry workers, and first responders - to live further away  
8 from work, resulting in dramatically increased commute times; and

9           WHEREAS, Available data reflects that the median commute distance for lower-income  
10 workers employed in Downtown San Francisco has increased from nine miles to 15 miles  
11 between 2008 and 2013, while the number of commuters who spend more than 90 minutes  
12 commuting each way to work has increased by 40% over roughly the same period; and

13           WHEREAS, Proposition 10, the Affordable Housing Act, is an initiative ordinance on  
14 the November 6, 2018 ballot that would repeal the Costa-Hawkins Rental Housing Act, thus  
15 allowing local governments to, among other things, consider and adopt new rent control and  
16 vacancy control ordinances; and

17           WHEREAS, By repealing Costa-Hawkins, Proposition 10 would allow cities to have  
18 more flexibility in governing affordable housing needs in their communities, to ensure that  
19 existing vacant rent-controlled housing stock is made available to residential tenants; and to  
20 strengthen rent stabilization measures; and

21           WHEREAS, In 2017, the City and County of San Francisco indicated its support for  
22 California State Assembly Bill 1506 (Chiu), which would have repealed Costa-Hawkins; and

23           WHEREAS, Proposition 10 is sponsored and/or endorsed by the California Democratic  
24 Party, AIDS Healthcare Foundation, Alliance of Californians for Community Empowerment,  
25

1 Eviction Defense Network, and a broad network of over 150 labor, housing advocacy,  
2 community, and faith-based organizations throughout the state; now, therefore, be it

3       RESOLVED, That the City and County of San Francisco hereby formally endorses  
4 Proposition 10, the Affordable Housing Act, on the November 6, 2018 ballot, which would  
5 repeal the Costa-Hawkins Rental Housing Act; and, be it

6       FURTHER RESOLVED, That the City and County of San Francisco reiterates its  
7 support for full repeal of the Costa-Hawkins Rental Housing Act, which would enable  
8 policymakers across the State to confront the housing affordability crisis by expanding rent  
9 control, enacting and implementing vacancy control, and taking other critical steps to stabilize  
10 neighborhoods and communities across the State of California.

October 20, 2017

Ashley Johansson, Initiative Coordinator  
 Office of the Attorney General  
 1300 I Street, 17<sup>th</sup> Floor  
 Sacramento, California 95814

**RECEIVED****OCT 23 2017**

INITIATIVE COORDINATOR  
 ATTORNEY GENERAL'S OFFICE

Re: Request for Preparation of Title and Summary

Dear Ms. Johansson:

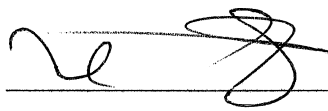
We are the proponents of the enclosed initiative measure, which is entitled "Affordable Housing Act." Pursuant to article II, section 10(d), of the California Constitution and section 9001 of the California Elections Code, we hereby request the preparation of a circulating title and summary of the chief purposes and points of the proposed measure. Enclosed is a check for \$2,000 made payable to the State of California. Also enclosed are the signed statements required by Elections Code sections 9001(b) and 9608. We request that our residence addresses be kept confidential following verification of our status as registered voters.

You are hereby authorized and requested to direct all further inquiries and correspondence regarding this proposed measure to the following persons:

Fredric D. Woocher, Esq.  
 Beverly Grossman Palmer, Esq.  
 Strumwasser & Woocher LLP  
 10940 Wilshire Boulevard, Suite 2000  
 Los Angeles, California 90024  
 fwoocher@strumwooch.com  
 bpalmer@strumwooch.com  
 (310) 576-1233

Sincerely,

Michael Weinstein  
 Elena Popp  
 Christina Livingston

By   
 Michael Weinstein



October 20, 2017

Ashley Johansson, Initiative Coordinator  
Office of the Attorney General  
1300 I Street, 17<sup>th</sup> Floor  
Sacramento, California 95814

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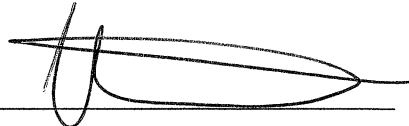
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bpalmer@strumwooch.com  
(310) 576-1233

Sincerely,

Michael Weinstein  
Elena Popp  
Christina Livingston

By



Christina Livingston

## Affordable Housing Act

The People of the State of California do hereby ordain as follows:

### Section 1. Title.

This Act shall be known and may be cited as "Affordable Housing Act."

### Section 2. Findings and Declarations.

The People of the State of California hereby find and declare all of the following:

- a) Rents for housing have skyrocketed in recent years. Median rents are higher in California than any other state in the country, and among all 50 states, California has the 4<sup>th</sup> highest increase in rents.
- b) Research by Apartment List indicates that the median rent for a one-bedroom apartment in California is \$1,410, an increase of 4.5% in just one year. A one-bedroom apartment in Los Angeles costs \$1,350 per month. In San Francisco, it costs \$2,450. In San Diego, the cost is \$1,560.
- c) The federal government has concluded that rent is not affordable if renters spend more than 30% of their income on housing costs. The State of California has found that more than half of California renter households (3 million) pay more than 30% and one-third of renter households (over 1.5 million) pay more than 50% of their income toward rent.
- d) According to the National Low Income Housing Coalition, a Californian earning minimum wage would have to work 92 hours per week in order to afford to rent an average one-bedroom apartment.
- e) More Californians (5.8 million households) are renting than ever before, because overall home ownership rates in California have fallen to their lowest level since the 1940s, according to the state. One quarter of older millennials (25-34 years of age) still live with their parents. (U.S. Census Bureau)
- f) Statewide labor unions, such as California Nurses Association, Service Employees International Union and the California Teachers Association, have made affordable housing a priority for their members. For example, teachers in California's urban centers are paying 40% to 70% of their salaries on housing and many are being forced to live an hour or more from their jobs in order to afford a home.
- g) Three times as many Californians are living in overcrowded apartments as compared to the U.S. as a whole. (U.S. Census Bureau)



- h) Even though the state represents only 12% of the total U.S. population, California is home to 22% of the nation's homeless population. (California Department of Housing and Community Development)
- i) Homelessness is a major public health issue. People who are homeless are 3 to 4 times more likely to die prematurely and are more likely to have a communicable disease, according to the National Health Care for the Homeless Council.
- j) The Centers for Disease Control and Prevention warn that vulnerable populations face lower life expectancy, higher cancer rates and more birth defects when their homes are displaced due to the gentrification of their neighborhoods.
- k) The increased cost of housing is worsening traffic congestion and harming the environment by forcing commuters to live farther away from their places of employment and increasing commute times. A report by the Pew Charitable Trust noted that the number of Californians who commute more than 90 minutes each way increased by 40% between 2010 and 2015; the increase is a direct result of the dearth of affordable housing near jobs.
- l) A major factor in California's housing crisis is a 20-year-old law known as the Costa-Hawkins Rental Housing Act. Costa-Hawkins gives permission to landlords of residential apartments and houses to raise rents as much as they want in buildings built after 1995; despite local laws that would otherwise prohibit such increases, landlords in Los Angeles can raise rents as much as they want on buildings built after 1978 and in San Francisco, on buildings built after 1979.
- m) Costa-Hawkins also allows a landlord to raise the rent in any building built before 1995 to the market value when it becomes vacant, and lets the landlord decide what market value is.
- n) Costa-Hawkins prevents cities from implementing laws that keep rents affordable for their residents.

### **Section 3. Purposes and Intent.**

The People of the State of California hereby declare the following purposes and intent in enacting this Act:

- a) To restore authority to California's cities and counties to develop and implement local policies that ensure renters are able to find and afford decent housing in their jurisdictions.
- b) To improve the quality of life for millions of California renters and reduce the number of Californians who face critical housing challenges and homelessness.
- c) To repeal the Costa-Hawkins Rental Housing Act.

**Section 4. Affordable Housing Act shall be codified by repealing the following sections of the Civil Code:**

Sections 1954.50, 1954.51, 1954.52 and 1954.53 of Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code are repealed.

**Section 5. Affordable Housing Act shall be further codified by adding the following section to the Civil Code:**

Section 1954.54. (a) A city, county, or city and county shall have the authority to adopt a local charter provision, ordinance or regulation that governs a landlord's right to establish and increase rental rates on a dwelling or housing unit.

(b) In accordance with California law, a landlord's right to a fair rate of return on a property shall not be abridged by a city, county, or city and county.

**Section 6. Liberal Construction**

This Act shall be broadly construed to accomplish its purposes.

**Section 7. Amendment and Repeal**

Pursuant to Article II, Section 10, Subdivision (c), of the California Constitution, the Legislature may amend this Act to further its purposes by a statute passed in each house by roll call vote entered in the Journal, two-thirds of the membership concurring, signed by the Governor. No statute restricting or eliminating the powers that have been restored by this Act to a city, county, or city and county to establish residential rental rates shall become effective unless approved by a majority of the electorate.

**Section 8. Severability**

If any provision of this Act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

**Section 9. Conflicting Measures**

In the event that this Act and any other measure addressing the authority of local government agencies to establish residential rental rates shall appear on the same statewide election ballot, the provision of the other measure or measures shall be deemed to be in conflict with this Act. In the event that this Act receives a greater number of affirmative votes than another measure deemed to be in conflict with it, the provisions of this Act shall prevail in their entirety, and the other measure or measures shall be null and void.

**Section 10. Legal Defense**

Notwithstanding any other provision of law, if the State, a government agency, or any of its officials fail to defend the constitutionality of this Act, following its approval by the voters, the proponents shall have the authority to intervene in any court action challenging the constitutionality of this Act for the purpose of defending its constitutionality, whether in state or federal court, and whether such action is in any trial court, on appeal, or on discretionary review by the Supreme Court of California or the Supreme Court of the United States. The reasonable fees and costs of defending the action shall be a charge on funds appropriated to the California Department of Justice, which shall be satisfied promptly.

**Section 11. Effective Date**

Except as otherwise provided herein, this Act shall become effective the day after its approval by the voters.

# Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2018 JUL 24 PM 4:10  
Time stamp

BY [Signature] of meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [ ] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Topic submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Peskin; Fewer

Subject:

[Supporting Proposition 10 – the Affordable Housing Act – on the November 6, 2018 Ballot]

The text is listed:

Resolution supporting Proposition 10 – the Affordable Housing Act – on the November 6, 2018 ballot, and reaffirming the City and County of San Francisco’s support for repeal of the Costa-Hawkins Rental Housing Act.

Signature of Sponsoring Supervisor: [Signature]

For Clerk's Use Only