

LEGISLATIVE DIGEST

(Revised 6/3/19)

[Administrative Code - Displaced Tenant Preference in City Affordable Housing]

Ordinance amending the Administrative Code to expand the Displaced Tenant Preference in City Affordable Housing Programs to cover tenants where the tenant's unit will no longer be restricted by a regulatory agreement or other affordable housing restriction within five years and market-rate rent in such tenant's building is more than 40% of the tenant's gross household income.

Existing Law

Current law provides preference in all City Affordable Housing Programs to certain "Displaced Tenants" residing in San Francisco under three categories: (1) tenants who have been evicted based on a Notice of Intent to Withdraw Units under the Ellis Act (California Government Code Sections 7060 *et seq*); (2) tenants who have been evicted based on an "Owner Move-In" under Administrative Code Section 37.9(a)(8); or (3) tenants who are forced to vacate by a public safety official due to fire and cannot return to their units within six months.

Amendments to Current Law

The purpose of this ordinance is to expand the definition of "Displaced Tenant" to tenants who live in a multi-family residential building that will no longer be restricted to ensure affordability based on income under a regulatory agreement or other affordable housing restriction within 5 years, and the market rate rent for unrestricted rental units in the same building is more than 40% of the tenants' total annual household income. A tenant certified under this category would receive a preference in the City's affordable housing programs.

Background Information

Certain multifamily residential buildings are restricted for a period of time to ensure that all or a portion of the rental units are available to income-eligible tenants and the rent for such units is restricted based on a tenant's household income and size. After the period of affordability restrictions expire, a landlord may increase a tenant's rent to market rate regardless of the tenant's household income. In such event, a tenant might be burdened with a substantial rent increase and an annual rent amount that exceeds 40% of annual household income, in which case the tenant could be displaced to find housing more affordable to the household.