

legislative_aides@sfgov.org>

Subject: Re: Requesting Support on Sup. Chan's Rent-Relief Resolution

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Dear Supervisors and Staff,

I want to quickly follow up on my previous email and share Supervisor Connie Chan's press release from yesterday's press conference. Supervisors Chan, Ronen, Mar, and Peskin joined with small landlords and members of tenant associations under Veritas, Mosser, and Ballast to urge equitable distribution of limited public funds for rent relief and to support tenant associations who are seeking good-faith negotiations with those large actors.

Please let me know if you have any questions about this strategy, and I hope additional Supervisors sign on to Sup. Chan's [resolution](#) in advance of its committee hearing on April 5.

Thank you and take care,

Brad Hirn

Housing Rights Committee of SF

On Wed, Mar 17, 2021 at 12:45 PM Brad Hirn <brad@hrcsf.org> wrote:

Dear Supervisors and Staff,

This is Brad Hirn at Housing Rights Committee of SF. I am reaching out to request your urgent support for Supervisor Chan's [resolution](#), introduced yesterday, regarding the equitable distribution of limited rent-relief funds and support for tenant associations who are actively seeking good-faith negotiations with their landlords.

I want to clarify & emphasize three points:

1. As much as this resolution is about the equitable distribution of very limited public funds, it is also about the Board of Supervisors getting behind the years of work that tenants under large landlords have put in to organize themselves and build a negotiating table with their landlords. Tenants under Veritas, Mosser, and Ballast (aka Brick + Timber) -- three of SF's largest landlords with properties throughout the state -- have all been organizing over the last 12 months to build viable tenant associations. Without a codified framework ([yet!](#)) regarding tenant associations, recognition of associations, and collective bargaining, these tenants are trying to make the road as they walk it, creating credible plans to reach collective agreements with their landlords that meet the needs of members while reserving limited public funds. **This resolution supports these associations.**
2. Tenants' rights groups are hearing that SB 91 funds (\$28 million) will run out in less than a month -- as quickly as three weeks. My personal estimate is that, if Veritas, Mosser, and Ballast all secured public funds, then they would capture more than 50% of the SB 91 pot.

Meanwhile, I just got in touch with a small landlord in the Tenderloin who is scrambling to get relief. This owner has one multifamily building in the TL, a neighborhood in which Veritas and Mosser have consolidated their holdings and continue to do so. If small landlords like this are not prioritized through all possible ways, including this resolution, then large landlords will become better-positioned to acquire more properties and consolidate further. In fact, [this is already happening](#).

3. This issue is statewide and national, and SF can lead the way. Today, a group of national organizations [released](#) a [new report](#) on corporate landlords. The groups behind the report made a separate [handout](#) on California: Ten of the 20 corporate landlords featured in the report operate in California, with several of those ten operating in SF. One key finding: **These ten landlords have amassed \$191 billion in "cash-on-hand" to buy properties on the market.** This resolution is an opening call to help prevent this trend from playing out in SF and across California.

Please let me know if you have any questions, and I hope you will consider co-sponsoring Sup. Chan's resolution.

Thank you,
Brad Hirn
Housing Rights Committee of SF

Member, Board of Supervisors
District 1



City and County of San Francisco

CONNIE CHAN

陳詩敏

第一區市參事

*****PRESS RELEASE*****

FOR IMMEDIATE RELEASE

March 25, 2021

Contact: Ian Fregosi

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Supervisors, Tenants, and Small Property Owners Call On Corporate Landlords to Forgive COVID-19 Rent Debt and Urge City to Reserve Public Rent Relief Funds for Small Property Owners and Affordable Housing Providers

SAN FRANCISCO — Supervisors Connie Chan, Hillary Ronen, Gordon Mar, and Aaron Peskin [were joined today](#) by tenants and small property owners in calling for large corporate landlords to negotiate with their tenant associations and use their own capital to provide rent relief to their tenants before dipping into limited public funds. This follows a [resolution](#) introduced by Supervisor Chan on March 16th. San Francisco will be receiving \$54 million in rent relief funds from the state and federal government thanks to SB-91 and the CARES Act. But according to a recent report from the Budget Legislative Analyst, tenants in San Francisco have accumulated over \$100 million in rental debt due to COVID-19 — twice the amount of available public funds for rent relief.

“The funds from the state and federal government are critical, but it’s not enough to support all of the tenants in San Francisco staring down thousands of dollars in rent debt,” said **Supervisor Connie Chan**. “If corporate landlords can leverage their existing assets to provide direct relief to their tenants, that allows public funds to forgive rent for tenants of smaller landlords who aren’t able to offer more relief than they already have.”

Rather than leverage their own capital, some large real-estate investment firms with hundreds of properties throughout San Francisco have already begun efforts to secure these first-come, first-serve public funds, potentially ahead of small property owners and affordable-housing providers who have neither the resources nor the staff to secure these funds as quickly as large corporate landlords. These large real-estate investment firms have well documented access to

capital that small property owners and affordable-housing providers do not, shown most recently by Veritas Investments' acquisition of an 87-unit property in Nob Hill, bought from a San Francisco family for \$43 million through a combination of debt and equity.

"I want to thank the Supervisors, fellow small landlords, and tenant associations for standing together today," said **Bryant Phuong, a small landlord in the Tenderloin**. "I own one apartment building in the City, and tenants have unpaid rent. For big landlords, the unpaid rent may cut into their profit. For me, it cuts into my family's savings. I urge the City to prioritize small landlords in the distribution of limited public funds. And I urge large, corporate landlords like Veritas, Mosser, and Ballast to negotiate with their tenant associations."

"I know I could apply for help on my own, as an individual, but it is more important to me to support my neighbors in the tenants association and support small landlords like Mr. Phuong," said **Juana May, a Veritas Tenants Association member in the Tenderloin who lost her job at the beginning of the pandemic**. "That is my choice, and it is the choice of many tenants in the tenants association. I hope that Veritas respects our choice and agrees to the dignity of good-faith negotiations on a rent relief agreement that meets our needs."

"One of the most glaring issues that has defined the pandemic is the absolute inequity in how people have been individually affected," said **Supervisor Hillary Ronen**. "It is our lowest-wage service workers who have lost employment, communities of color who have gotten sickest, poorer neighborhoods that are now filled with tents and RV homes, rent-controlled tenants who most fear the end of the eviction moratorium, and small landlords who are holding on by their fingernails as they face a mountain of debt. Now that federal and local rent relief is finally on the way, it is crucial that the first chance goes to the most vulnerable tenants, to small landlords, and to our affordable housing providers."

"Just as we've targeted commercial grants and other relief at small, women-owned and minority-owned businesses, the Mayor's Office of Housing should be making every effort to ensure that outreach is culturally competent and that mom-and-pop landlords and affordable housers have a fair chance to apply for this limited pool of funds," said **Supervisor Aaron Peskin** in a written statement.

Chan's resolution also calls for the City to prioritize culturally competent outreach and distribution of rent relief funds to small property owners and affordable housing providers, with the expectation that corporate landlords leverage their existing capital to provide rent relief for their tenants. The resolution is expected to be heard at the April 5th meeting of the Land Use and Transportation Committee.

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