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[Supporting Amendments to State Law to Return Local Control Over the Ellis Act]

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3   **Resolution supporting amendments to State Law to return local control over the Ellis**

4   **Act to prevent the speculation and abuse of no-fault evictions.**

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6   WHEREAS, The City and County of San Francisco (the "City") has historically been

7 among the cities with the highest average rent in our country; and

8   WHEREAS, The City has seen significant job creation and employment growth in the

9 past three years, seeing unemployment rates decline from 9.7 percent in August 2010 to 5.6

10 percent in August 2013; and

11   WHEREAS, The population of the City has continued to increase during the past three

12 years of economic growth, resulting in an increased demand for housing; and,

13   WHEREAS, From 1997 to the present, according to Data from the San Francisco Rent

14 Board, the Ellis Act state preemption over local authority has allowed 3,061 units in San

15 Francisco to be withdrawn from the rental market; and

16   WHEREAS, the Ellis Act, Gov. Code § 7060, et seq., provides, with limited exceptions

17 that no public entity shall, by statute, ordinance, regulation, or by administrative action compel

18 the owner of any residential real property to offer, or to continue to offer, accommodations in

19 the property for rent or lease; and

20   WHEREAS, The Ellis Act is increasingly being used, not by long-term owners of rental

21 property as the law intended, but instead by new owners who purchase the building with the

22 intent of evoking the Ellis Act purely for speculative purposes; and

23   WHEREAS, The Ellis Act has adversely affected the supply of rental housing in San

24 Francisco by restricting its availability without granting municipalities the tools to directly deal

25 with its negative consequences; and

1   WHEREAS, There is a trend emerging in which the Ellis Act is used by entities who

2   buy rental residential buildings and repeatedly leave the rental business, exploiting a loophole

3   in the Ellis Act that the legislature may not have intended to create when it passed the law;

4   and

5   WHEREAS, Speculators who use the Ellis Act to evict tenants typically target the City's

6   most vulnerable residents: the elderly, the disabled, those living with disabling HIV or AIDS,

7   immigrants and others who are long-term residents of our City; and

8   WHEREAS, An unintended consequence of the Ellis Act is that it places dependence

9   for unit-by-unit replacement of lost affordable rental supply on local subsidy or market rate

10   developers; and

11   WHEREAS, In the last decade, while San Francisco's market rate developers, through

12   the City's inclusionary housing program, has produced 1,476 new affordable units without a

13   City subsidy, during the same period, the City has witnessed 1,763 eviction notices based on

14   the Ellis Act – creating a net loss in non-City-subsidized affordable rental housing; and

15   WHEREAS, In the last decade, while San Francisco has produced on average 411

16   new locally subsidized affordable housing units each year, 235 affordable rental units on

17   average have been withdrawn from the rental market each year due to the Ellis Act,

18   diminishing the impact that City-subsidized affordable housing production has had on

19   increasing San Francisco's affordable housing, particularly for seniors and working class

20   households; and

21   WHEREAS, Although there are 39,640 units entitled for development in the Planning

22   Department's most recent pipeline report, 6,286 of which are currently under construction,

23   with 20 percent currently qualifying as permanently affordable housing, the use of the Ellis Act

24   has in the past three years increased 170 percent, with 116 evictions from March 2012 to

25   February 2013; and

1   WHEREAS, The City does not want to continue the trend of trying to build more

2 affordable housing while at the same time losing an increasing number of our affordable rental

3 housing to Ellis Act evictions; and

4   WHEREAS, The City recognizes that we cannot wait until Ellis Act evictions reach the

5 levels seen in the year 2000 before acting to restore more local control; and

6   WHEREAS, The City should work to stem the tide of speculative evictions; and

7   WHEREAS, The City should protect residents who live in the housing stock we have

8 while continuing to build the housing our growing workforce needs; now, therefore, be it

9   RESOLVED, That the Board of Supervisors and Mayor should work together with a

10 common goal to amend state law to restrict speculative Ellis Act evictions and return greater

11 local control over the Ellis Act in order to reduce the speculative Ellis Act evictions that are

12 displacing long-time residents of our City and disrupting our efforts to grow in accordance to

13 our General Plan and our neighborhood plans; and, be it

14   FURTHER RESOLVED, That the Board of Supervisors supports changes to state

15 legislation to return more local control to local municipalities in order to stop speculative Ellis

16 Act evictions and respectfully urge our Bay Area legislators to support said legislation; and, be

17 it

18   FURTHER RESOLVED, That the Board of Supervisors and Mayor will also pursue

19 local strategies to mitigate adverse impacts on persons displaced by the Ellis Act including but

20 not limited to legislation related to relocation assistance, buy-outs, and tenant harassment.

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City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 131219   **Date Passed:** January 07, 2014

Resolution supporting amendments to State Law to return local control over the Ellis Act to prevent the speculation and abuse of no-fault evictions.

January 07, 2014 Board of Supervisors - ADOPTED
     Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 131219

I hereby certify that the foregoing Resolution was ADOPTED on 1/7/2014 by the Board of Supervisors of the City and County of San Francisco.

_____
Angela Calvillo
Clerk of the Board

_____
Mayor

_____
Date Approved