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Board of Supervisors District 6

March 2, 2010

Honorable David Chiu, President Supervisors Avalos, Campos, and Mirkarimi San Francisco City Hall 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102

Dear President Chiu and Colleagues,

I urge you to continue your support for the **Tenant Financial Hardship** initiative, a reasonable approach to give tenants most impacted by the recession temporary relief from burdensome rent increases.

As you know, the proposed initiative would create a mechanism to temporarily suspend rent increases for tenants who have been hardest hit by the bad economy. The measure would apply only to tenants in rent-controlled units who: 1) are paying more than 33% of their income for rent; 2) have little or no assets; and 3) are unemployed, had at least a 20% decrease in wages in the past year, or receive only government benefits with no cost of living increase.

Fully Vetted by the Community and an Exhaustive Legislative Process

The Tenant Financial Hardship initiative is one of the most vetted initiatives in the history of San Francisco's ballot. It has been heard in the Land Use Committee and the Rules Committee, twice at the Government Audit and Oversight Committee, and for three separate readings at the full Board of Supervisors. The proposal is fully vetted and was even amended in Committee and again at the full Board to address concerns raised, including those by the Rent Board. This legislation is supported by a majority of the members of the Board of Supervisors and numerous tenant and community organizations, including the San Francisco Tenants Union, SOMCAN, St. Peter's Housing Committee, Community Tenants Association, Housing Rights Committee, and Central City SRO Collaborative. While the Mayor and much of the landlord lobby remain opposed, the legislation carries the signed support of 2,000 San Franciscans.

Respite for the Hardest Hit Renters

This summer, San Francisco's unemployment rate reached a twenty-five year high of 10.2%. Unemployment still remains at 9.4%. With over 35% of San Francisco renters paying more than one-third of their income for rent, the Tenant Financial Hardship initiative could help keep thousands of families in their homes through these difficult financial times. While there are existing hardship provisions in affect at the Rent Board, this proposal would supplement, and not supplant, those provisions (which do not provide protection against annual or banked rent increases for the most vulnerable.)

Help Not Hyperbole

The Mayor's concern of this financial hardship being exploited by wealthy tenants while hurting poor ones is pure hyperbole. While the Mayor tells us of a theoretical tenant who has had their \$200,000 income reduced to \$150,000 applying for hardship, he fails to mention that, to qualify, they would have to be paying over \$4,150/month for a rent-controlled apartment and also have few or no assets. I would guess that this theoretical tenant does not exist in real life. Meanwhile, a single mother living in Noe Valley went to the Tenants Union yesterday after being laid off from work on Friday. On Saturday, she was notified of a 20% banked rent increase. She made \$48,000 last year and currently pays \$2,000 in rent. It is undisputed that thousands of poor and working class families have been impacted by the recession and struggle each and every month to make the rent. The Tenant Financial Hardship initiative is designed to help these families. As for increasing the price of vacant units, anyone who has ever rented (or objectively studied the housing market) knows that the initial rent on a vacant unit is set by whatever the market will bear. It has little to do with the costs to the landlord industry.

Subterfuge for a Special Interest

The Mayor's attempt to get the Board of Supervisors to take away the opportunity for voters to adopt this important legislation is laughable.

The concept that assisting a struggling renter somehow works against the environment is ridiculous. Keeping families housed and stable is one of the best ways to foster environmental stewardship. Promoting evictions and displacement is the policy that has the most potential to lead to environmental degradation. This is why there has been a "meeting of the movements" between environmental justice and affordable housing.

Meanwhile, almost every major tenant proposal that has been proposed at the Board in the last 10 years has come with an "advice memo" from the City Attorney. When it comes to these matters, the landlord lobby has quite a litigious record, and it is the City Attorney's responsibility to inform us of any potential legal issues. Even so, our City Attorney carries an exemplary record in defending tenant legislation. It is with this confidence that our City Attorney signed the same legislation "APPROVED AS TO FORM."

In light of the legislative history of this item and the fact that voters adopted into law the previously vetoed Eviction Disclosure ordinance in November 2006, it is not surprising that the Mayor would prefer not to have the embarrassment of another veto overridden by the people. But San Franciscans tend to be in favor of tenant rights and routinely adopt pro-renter laws when the politicians don't.

I ask for your continued support on this measure.

ours in Struggle,

SUPERVISOR CHRIS DALY