

Date of Hearing: April 25, 2012

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Norma Torres, Chair

AB 1925 (Ma) – As Amended: April 19, 2012

SUBJECT: Real property: rent control.

SUMMARY: Specifies levels of compensation for tenant households who are temporarily displaced from a rent-controlled unit in San Francisco. Specifically, this bill:

- 1) Limits levels of compensation in the City and County of San Francisco for the temporary displacement of a tenant household for less than 20 days, notwithstanding any local law to the contrary, to both of the following:
 - a) Temporary housing and living expenses not to exceed \$275 per day per tenant household; and
 - b) Actual moving expenses if it is necessary to move the possessions of the tenant household.
- 2) Allows the \$275 per day limit to be adjusted annually in an amount equal to the Consumer Price Index, beginning on January 1, 2014.
- 3) Provides the landlord with the option to provide a comparable dwelling unit and pay any actual moving expenses in lieu of daily compensation and requires the unit to be comparable to the tenant household's existing housing in location, size, number of bedrooms, accessibility, type, and quality of construction, and proximity to services and institutions upon which the displaced tenant household depends.
- 4) Specifies that these provisions shall not be construed to do any of the following:
 - a) Terminate, interrupt, or amend, in any way, a tenancy subject to the lease provisions, or the rights and obligations of either party, including, but not limited to, the payment of rent;
 - b) Create or affect any grounds for displacement or requirements of a landlord seeking temporary displacement, except the payment of relocation fees for displacement not exceeding 20 days; and
 - c) Affect the authority of a public entity that may regulate or monitor the basis for eviction.
- 5) Provides that if a federal or state law regarding relocation compensation is also applicable to the temporary displacement, the tenant may elect to be compensated under those other provisions instead.
- 6) Specifies that these provisions affect only levels of compensation for a temporary displacement of less than 20 days and do not affect any other local procedures governing temporary relocation.

- 7) Includes findings that a special law is necessary because of the unique circumstances of the City and County of San Francisco.

EXISTING LAW provides that cities and counties have within their police power the authority to enact rent control laws so long as property owners are assured a fair rate of return [*Birkenfeld v. Berkeley* (1976) 17 Cal. 3d 129].

FISCAL EFFECT: None

COMMENTS:

In 2006, San Francisco voters passed Proposition H, which made changes to the city's rent control ordinance relating to relocation benefits in the event of a no-fault eviction. The measure was placed on the ballot in response to an increase in the number of no-fault evictions and concern that the relocation benefit amount had not been changed since 1987. Prior to Proposition H, San Francisco landlords had to pay \$1000 to each tenant who had lived in a unit for more than a year in the event the tenant had to be relocated. Proposition H raised that amount to \$4500 per tenant plus an additional \$3000 for each disabled or elderly tenant or household with minor children and provided for annual increases in the relocation benefit. Currently, the relocation benefit is \$5153 per tenant with a per-unit maximum of \$15,460, plus an additional \$3436 for each disabled or elderly tenant or household with minor children.

Under San Francisco's rent control ordinance, landlords must pay relocation benefits whether tenants are being permanently evicted or must temporarily vacate a unit to allow for improvements or repairs. Thus, tenants who have to move out for a few days to allow a landlord to paint the apartment or upgrade the plumbing are entitled to the exact same relocation benefits as tenants who need to find another place to live.

AB 1925 limits relocation benefits in San Francisco in the event of a temporary displacement to \$275 per day per household plus any moving expenses, to be adjusted annually based on the Consumer Price Index. The bill defines a temporary displacement as one that lasts less than 20 days. The bill allows landlords to provide temporarily displaced tenants with a comparable dwelling unit rather than daily compensation, so long as the unit is close to the services and institutions upon which the displaced tenants depend.

According to the sponsor, the California Apartment Association, requiring landlords to pay such a substantial amount to tenants who need to leave a unit for a short amount of time to allow for improvements or repairs is "extremely unreasonable and threatens the health and safety of tenants by discouraging any proactive repairs and improvements by property owners of their housing units."

Double referred:

If AB 1925 passes this committee, the bill will be referred to the Committee on Judiciary.

REGISTERED SUPPORT / OPPOSITION:

Support

California Apartment Association (sponsor)
California Building Industry Association

Opposition

None on file

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