

# Tenant Times

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Fall, 2000

## YES on H: Stop Rent Hikes

Since 1996, capital improvement rent increases have more than tripled—an increase of over 300%. This shows the landlord's true motivation: to force long term tenants out of their homes through massive rent increases. Low income, disabled, senior residents, and working families won't be able to afford to live in San Francisco unless we close this rent control loophole.

This unjust practice is the biggest source of rent increases in San Francisco. San Francisco landlords are gouging tenants by raising their rents in order to pass-through 100% of the costs of major building improvements. Proposition H will stop landlord's from raising a tenant's to pay for this work unless the landlord isn't making a fair profit on the building. What is a Capital Improvement? The Rent Control Ordinance defines a capital improvement as an "improvement which materially adds to the value of the property." Examples include a new roof, foundation, or exterior painting. What will Proposition H do? This measure will amend the City's Rent Control Ordinance to close the loophole that allows landlords to pass on these costs. There are two exceptions:

1) Cases where the landlord would be deprived of a fair return on the property. Landlords who can prove that they are not making a fair profit would be allowed to pass-through costs.

2) Seismic retrofitting (earthquake safety improvements). Proposition H is sound housing policy. Landlords will still be able to pass on operating and maintenance costs but they won't be able to make you pay the costs of building improvements that they can write-off on their tax returns.

Capital improvement rent increases rapidly force tenants from their homes. Tenants at buildings like Lombard Place, owned by wealthy landlord Herbert Jaffe, are faced with total pass-throughs as high as \$100,000 per unit, a total price tag of \$8.4 million.

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### Si en H Para Los Aumentos de Alquiler

Bajo las leyes del Control de Alquiler, los propietarios pueden aumentarles el alquiler a los inquilinos para pasarles el costo de mejoramientos mayores. Estos tipos de aumentos de alquiler se llaman

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## YES on L, No on K

### Tenants Union Endorsements

With District Elections, the potential is there for San Franciscans to regain control of the City from the real estate speculators and developers who now see San Francisco's housing market as their own personal money machine.

It is an opportunity to get rid of the politicians who are in the pockets of the real estate industry. And it is an opportunity to elect Supervisors independent of Mayor Willie Brown (who seems intent to sell off San Francisco to the highest bidders). Plus, there's the anti-gentrification package of initiatives: Yes on L, N and H (and No on K).

As with any opportunity, though, there's a flip side, which we could see if people don't get out and vote. District elections could backfire. Already it's evident there are conservative districts where the candidates campaign on an anti-tenant platform. While Sup. Mabel Teng always frustrated people by straddling the fence on tenant issues when she was elected citywide, today (representing the Outer Sunset), she's unabashedly pro-landlord. From the start, tenants can expect at least three pro-landlord districts (2, 4, 7) and three pro-tenant districts (5, 8, 9). This leaves five districts up in the air where the landlord-tenant battle will be waged.

The stakes are very, very high too. If the swing districts go landlord, tenants will have to face an assault on rent control itself in 2001. If, on top of that, Props N and H (god forbid) lose, the assault on rent control will be nuclear. If Proposition L loses on top of that, then tenants should just start packing on November 8.

Or, tenants could get control of City Hall and we could stop capital improvement rent increases and condo conversion evictions and phony live-work lofts. Then our homes would be secure and rent control would be safe and we could put away the suitcases.

Thus here's the TU endorsements, roughly sorted by importance to tenants.

#### Supervisors

##### District Six—Chris Daly

Consisting of the Tenderloin, Polk Gulch, lower Nob Hill, North Mission, and SOMA, this district should be an automatic for tenants and the Supervisor from here should be by far the strongest tenant advocate (District 6 is about 90% renter). Unfortunately, it's not an automatic, although there's a strong chance we will end up with the strongest pro-tenant Supervisor from here.

The Tenants Union has endorsed Chris Daly, who has a long history in the housing movement through the Tenants Union, Mission Agenda, and Mission Anti-Displacement Coalition. Daly appears to be the front-runner, having strong grass roots support and wrapping up many of the key endorsements (such as the *Bay Guardian*). But Daly is not the handpicked candidate of either Mayor Brown or Tom Ammannio. Brown's choice is Chris Dittenhoffer; Dittenhoffer is decidedly anti-tenant and will advocate for Brown's pro-development agenda. To the disappoint-

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## YES on N: Stop Evictions

San Francisco's most famous condo conversion is one which natives and longtime residents remember and still moan about: Playland At The Beach was demolished and replaced by expensive waterfront condominiums. That conversion changed the character and flavor of San Francisco's ocean waterfront forever. Never will it be as it once was.

The condo conversions we face today impact the city in a different way. In a much worse way, because condo conversions mean evictions and the loss of scarce rental housing which is all most of us can afford.

But the current epidemic is not totally different from what happened at Ocean Beach. The evictions, the displacement and the loss of housing units are changing the character of San Francisco's neighborhoods. Whole neighborhoods are changing almost overnight as longtime residents are driven out by evictions. The newly wealthy—mainly caucasian with lots of stock-market-created money—are buying our condo-converted homes.

Most of us learned in high school what displacement is. Drop a rock in a pail of water. The more powerful rock replaces some or all of the water. Thus the wealthy replace (evict) the communities of color who made the Mission what it is. Then their trendy shops and restaurants replace the neighborhood shops and the real ethnic restaurants. Next thing you know, your apartments up for sale, you're eviction notice

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### Si en Prop N Pare los Desalojos

La mayoría de los desalojos en San Francisco se deben a la conversión de apartamentos en condominios. Los especuladores del mercado de vivienda obtienen ganancias enormes de estas conversiones. Gente rica de afuera de San Francisco está comprando estos condos-desplazando a ancianos, familias, trabajadores y gente de color.

Los inquilinos viven con miedo de llegar a casa y ver una señal de "en venta," sabiendo que probablemente significa que su apartamento va a ser vendido como un condo. No pudiendo pagar la media de \$400,000 que cuesta un condo o un alquiler de \$2,200, los inquilinos desalojados tienen que irse de la ciudad.

Estos desalojos son una epidemia porque los especuladores del mercado de vivienda aprovechan vacíos legales en la ley de conversión a condos para desalojar a los inquilinos y vender sus casas como condos.

La Prop N arregla este problema en la ley de conversión de condos. Evitara la mayoría de los desalojos del Ellis Act. Prohibe desalojos de ancianos y minusválidos. Permite a los inquilinos que lo desean comprar sus propios apartamentos, pero detiene a los especuladores que ganan millones desalojando a los inquilinos y vendiendo sus apartamentos como condos.

### Prop N Stops Evictions

Evictions of tenants by real estate speculators who then sell of the apartments as condos is the number one cause of gentrification and displacement in San Francisco. Prop N stops these evictions.

Sponsored by the Tenants Union, Prop N amends the condominium conversion law to close loopholes which let real estate investors evict tenants and then sell individual apartments as expensive condominium-type units, such as TICs. Prop N will regulate these conversions by limiting the number to 200 and providing tenants with important protections. Prop N will also:

- Ban Condo Evictions of Senior and Disabled Tenants
- Require Tenant Approval Prior To Condo Conversion
- Give Tenants The 1st Right To Buy Their Apartments

7,500 rental units have been converted since 1990—which is why we have such a low rental vacancy rate and such high rents. 1,000 households were evicted last year for these backdoor condos.

## Stop Gentrification Package

[www.sftu.org](http://www.sftu.org)

- HOW TO HELP ON PROPS N & H
- LINKS & INFO ON PROPOSITIONS & CANDIDATES

# YES on N YES on H YES on L NO on K

## 7th Edition Tenants Rights Handbook Excerpts

### 7th Edition Tenants Rights Handbook Ready HONEST!!

Honest. The long-delayed 7th Edition of the Tenants Rights Handbook is being printed. We expect it back to us no later than November 1. Our sincere apologies for the many delays, but our volunteer staff has been hard pressed the last year or so. Between initiative campaigns, legislative fights, and the extra demand on our counseling services this year, the book has been difficult to finish. Not to mention that the Tenants Union keeps changing the laws and many sections had to be rewritten as laws changed.

The 7th edition is our largest and most complete yet—it's about 240 pages and includes a number greatly expanded chapters plus more laws than ever in the appendix and updates on every single change in local and state law since the 6th edition was printed.

Many TU members who chose to wait and wait will be receiving the book automatically. We will be mailing these out but you can come in and pick up a copy (the quickest way) anytime after November 1.

Other members can get a copy of the new handbook by renewing their membership—renew early and we'll extend your membership one year from the slated expiration date.

#### PG&E Pass-Throughs

If the PG&E bills are paid by the landlord and included in the total amount of rent, the landlord may pass-through increases in the PG&E bills, without a Rent Board Hearing, by giving a proper notice. This can only be done once a year at the time of the annual rent increase.

However, the landlord cannot casually tack on an extra charge to the rent because the gas and electric bills have gone up. The landlord must calculate how much these costs have increased by comparing the total PG&E costs in the past year with the total PG&E costs of the year before. (The calculation procedure is rather technical—see Rent Board Rule §4.10.) It is also important to note any such gas and electric costs passed through are **not** to be included in the tenant's base rent and that a valid rent increase notice must specifically indicate how much of the rent increase is due to this PG&E pass-through; if the notice is invalid because of this omission, then the entire notice—and the rent increase—may be considered null and void, and at a minimum the landlord will have to send a new thirty day notice.

Please note: Tenants have a mandatory time limit of one year for filing petitions challenging the PG&E pass-through. The petition must be filed within one year of the effective date of the pass-through or within one year of the date the pass-through was required to be recalculated. (Rent Ordinance §37.8(d)(1); Rules and Regulations §4.11)

If you think that the pass-through amount is improper, or the calculation procedure used by your landlord is screwy, and that your landlord has failed to provide “. . . a clear explanation of the charges for gas and electricity on which an increase is being based,” then you have the right to petition the Rent Board for a hearing on documentation of gas and electrical increases (see Rent Board Rules §10.12). The Rent Board will set a hearing date and the landlord will have to lug in the proper PG&E bills. The landlord has the “. . . burden of proving the calculations upon which the increase is based.”

Note that this PG&E pass-through cannot include increases for water, sewer, or garbage expenses which your landlord may be paying, but in a separate process they may include **penalties** for excess water use during droughts. (See Rules and Regulations §4.13)

#### What if Your Landlord is Your Boss?

All workers in California are covered by the minimum wage law, including those, like resident managers, live-in aides, and many hotel workers, whose boss is also their landlord. The Industrial Welfare Commission has published 15 orders for various job classifications that detail the rules regarding pay and working conditions. All 15 are very similar (one of the main differences being whether overtime is defined on a daily or a weekly basis), and all require that bosses pay at least minimum wage for *all* hours worked. In March 1998, minimum wage in California was increased to \$5.75 per hour for regular time, the last scheduled increase pursuant to Proposition 210 which passed in 1996. (To get another increase in minimum wage, it's time again to organize.)

Hours worked “includes all the time the employee is suffered or permitted to work, whether or not required to do so.” For tenants required to live on the premises, all hours spent performing “assigned duties.” count as hours worked, for which the tenant should be paid.

If, like *resident managers* or *live-in aides*, you must live in the place in order to keep your job (“as a condition of employment,” the law says), then these state laws put an absolute cap on the amount of rent the landlord may charge, whether it is charged in money or in deductions from your wages. If you're not required to live there, then the limit applies to the amount that can be counted toward minimum wage. If your pay plus the maximum allowed rent and food credit adds up to less than minimum wage for all hours worked, then your landlord/boss has violated the minimum wage law. The agreement must be voluntary and it must be written. No credit toward minimum wage is allowed for meals not received or lodging not used.

The limits are the following: an apartment for one employee may be valued at “two thirds of the ordinary rental value, and in no event more than . . . \$324.70 per month.” Where a couple are both employed by the employer, the apartment may be only be valued at two thirds of the ordinary rental value, and in no event more than \$480.30 per month. If the landlord provides just a room, not an apartment, then the limit is \$27.05 per week for single room or \$22.30 per week for a shared room. In addition, meals can be credited at only \$2.05 for breakfast, \$2.85 for lunch, and \$3.80 for dinner.

It is important to remember that a worker cannot legally contract with an employer to violate the minimum wage laws. Contact the Labor Standards Enforcement Division of the California Department of Industrial Relations for more information.

#### What If You Don't Get Your Deposit Back?

If three weeks have passed and you still haven't received your deposit (or if the landlord has deducted what seems to be an unreasonable or impermissible amount) you should make a **written** demand for it (see sample letter included in this book), keeping a copy of this for yourself (as you need to do with any correspondence between you and the landlord). If the ex-landlord's response is unsatisfactory, you can sue him in Small Claims Court for the actual deposit money remaining **plus** \$600 in punitive damages if the total amount is \$5,000 or less (the limit in Small Claims Court). In San Francisco the Small Claims Court is located at 400 McAllister Street, Room 103. It costs only \$15.00 to file, and lawyers are not permitted. A free Small Claims Court Advisor (see *Resources*) will help you prepare your case if you desire.

#### Illegal Rent

California law now makes it **illegal** for a landlord to demand or collect rent where there are serious repair problems in a unit and a complaint has been filed against the landlord by the building inspection department or other public agency.

This law (Civil Code §1942.4) applies to leases and rental agreements entered into After January 1, 1986. In order to invoke its provisions the following conditions must be met:

- (1) The unit is in substantial disrepair;
- (2) The building inspector or other public agency has inspected the unit and filed a complaint against the landlord requiring that he make the necessary repairs;
- (3) 60 days have passed without the landlord correcting the problem(s).
- (4) The tenant did not cause the problem(s).

At that point it is illegal for the landlord to demand or collect rent from the tenant. In addition, the landlord may be liable to the tenant for both damages caused by the defects as well as for punitive damages. The minimum amount of punitive damages that can be awarded is \$100, the maximum amount is \$1,000

In addition, this law empowers the courts to order the landlord to fix the problems. If the landlord disobeys this order, he can be held in contempt of court.

The tenant may pursue this remedy without an attorney in Small Claims Court if the total amount requested is less than \$5,000.



***YES*** *on*

***Stop***

***YES*** *on*

***Stop Rent***

*n Prop N  
o Evictions*

*n Prop H  
t Hikes*

# SF Tenants Union Endorsements

*Continued From Page One*

ment of many, Ammiano endorsed Beryl Magilavy who has some progressive credentials through environmental work but is at best wishy-washy on tenant issues. She opposes Proposition H, for example, the measure to end unjust rent increases.

With its overwhelming tenant population, tenants can not let the District Six seat be won by anyone but the strongest tenant candidate. If there's any "tenant district," this one's it. Vote Daly.

## District Three—Aaron Peskin

Composed primarily of North Beach and Chinitown, District Three also has a very high tenant population. The importance of this district is twofold. First, the district is currently represented by Alicia Becerril, who has voted against most tenant measures and tends to side with landlords. Winning here would switch a current landlord vote to a tenant vote. Second, with Sup. Sue Bierman being term-limited out, the Board loses its only member who has knowledge and expertise on land use issues, planning, zoning, etc. Of all the candidates across the city, only Peskin has that sort of experience. Long active in the district, Peskin has been fighting the good fights at the Planning Commission long before most people realized how the Planning Commission has become a tool for developers.

## District One—Jake McGoldrick

District One is the Richmond and is the city's largest district. While many think of it as conservative, homeowner, that's not necessarily the case. Most tenant initiatives have won a majority in the Richmond and, especially in the Inner Richmond, there's a lot of tenants and a lot of progressives. Like in District Three, District One is represented by a landlord vote (Michael Yaki, infamous for his sell-out of tenants on OMI eviction reform) and a victory here could switch a landlord vote to a tenant vote. Jake McGoldrick, like Peskin, is also extremely knowledgeable on planning and housing issues. McGoldrick is a longtime neighborhood activist in the Richmond and is a former Tenant Commissioner on the Rent Board. McGoldrick is also endorsed by the core of the progressive community, including Sup. Ammiano and the Bay Guardian. Many think Yaki has this wrapped up, but he's really not that popular. Also, Rose Tsai is running here too and many expect her and Yaki to split the conservative vote, leaving McGoldrick and one of them in the runoff.

## District Ten—Marie Harrison

Composed mostly of the Bayview and Potrero Hill, this district is mostly homeowner and progressive. Tenants measures routinely win in this district by sizeable margins and probably the main fight here is will the winner be in the Brown pro-development camp. Marie Harrison, a writer with Bayview newspaper and long-active in fighting environment racism in the Bayview and fighting runaway development citywide is the clear choice. She has strong credentials as an activist, solid tenant positions and is backed by Tom Ammiano and the Bay Guardian.

## District Five—Matt Gonzalez

Sue Bierman should get to represent this district for life, but she has been term limited out. District Five consists of the Haight (Upper and Lower) and Western Addition and along with the Mission has always been the most progressive district (generally, votes have been categorized along these district lines over the years). Matt Gonzalez, a public defender with impeccable progressive credentials is the clear choice of the progressive community. He has perfect tenant positions and will clearly be a leader in the fight against evictions and rent increases and gentrification. Gonzalez challenged DA Terence Hallinan from the left and stunned most political observers by coming a close second (it was his first run for office).

## District Eight—Eileen Hansen

Consisting of Castro and Noe Valley, this is also a progressive district with a solid tenant majority. The current representative, Mark Leno, has sometimes been okay on tenant issues but just as often he hasn't. He tends to represent the minority of his district—homeowners with upper incomes and he's fairly solidly in Brown's camp. For a district which has long been the front line of the housing wars (the Castro has ranked number one or two in evictions for years), Leno is unacceptable. He opposes Prop N, for example, the measure to limit these evictions.

Eileen Hansen, on the other hand, was fighting for tenants rights long before these evictions started and

long before there was a housing crisis. She's very active in the Castro, is a former member of the Building Inspection Commission, and will vote for tenants instinctively and consistently. She truly represents the majority of the district, not the elite. She is also supported by Tom Ammiano.

## District Eleven—Gerardo Sandoval

The Excelsior is a mostly homeowner district which leans to the conservative side. In normal years, this district would be a wrap for landlords. This year, though, it's Amos Brown's district. Brown has emerged on the Board of Supervisors as the most right-wing candidate. He has led the landlord charge to repeal rent control and when he gets bored he works on criminalizing homelessness. Not only is he mean-spirited, he's not very smart. A landlord, Brown decided he would "move" to this district and he did so by evicting a senior and her disabled son for owner move in. He did it illegally, ignoring the rent control requirements for such evictions, and then when he wouldn't even return the security deposit the eviction became public. Then he didn't move in and is now facing a lawsuit by the evicted tenant and there's a chance he could be knocked off the ballot.

Gerardo Sandoval, on the other hand, is intelligent, compassionate and strong on tenant issues. He's endorsed by the Bay Guardian and most other progressives and is running a hard grass roots campaign. It seems likely that Amos Brown will beat himself and the biggest challenger to Sandoval may be Rebecca Silverberg, a landlord and realtor. Since she makes her money off the housing crisis, she won't be apt to want to see it end. Apparently ashamed to be a realtor, she sometime calls herself a "housing advocate," saying "I just helped a family of five move into..."

## District Seven—Rennie O'Brien

This is West of Twin Peaks, pretty clearly a landlord district. Rennie O'Brien's a longshot not just because he actually supports tenants. He's the exact sort of candidate people had in mind when voting for District Elections. He's a native of the neighborhood and long been active and he's someone who represents the people of the neighborhood, not the special interests, or political machines. He's running his campaign as a truly grass roots one, talking to people door to door. He impressed us most with his answer on the legalization of in-law apartments (An issue which the homeowner groups District Seven have sunk year after year). He said he supported legalization but more telling was his elaboration—that he knew the position sunk chances of most homeowner group endorsements, but that he did not think these groups truly represented the views of most residents, many of who (like himself) had rented these illegal units before becoming homeowner. O'Brien has strong tenant positions and while untested he impresses as a populist candidate who will live up to them.

**Districts Two (Marina—Newsom is unchallenged) and Four (Outer Sunset—Leland Yee and a host of other landlords and realtors)**—Lost causes. Go directly to initiatives.

## Initiatives

There are four initiatives on the ballot which directly tackle the evictions, the displacement, the gentrification and the runaway real estate development and speculation which is destroying San Francisco's character and diversity:

**Yes on N and H**—Stopping evictions and displacement is the number one priority. See articles in this issue. If you want to stop evictions, stop rent increases, and give a vote for corraling in the greedy, vote YES on both N and H.

**Yes on L, No on K**—Proposition L is the real measure to stop the dot-coms, phony live-work lofts, the overdevelopment of neighborhoods, the evictions of artists and the evictions of non-profits. It is backed by all the tenant groups, and groups like Mission Anti-Displacement Coalition and was written by the same people who passed the original Proposition M (such as activists Sue Hester, Debra Walker and Calvin Welch). Proposition L, in fact, closes up the loopholes which the Brown pro-development regime has carved out of the original law. Proposition K is the phony measure. It was put on the ballot by Mayor Brown and his cronies and it will actually increase development. Yes on L and No on K.

Other TU endorsements on important initiatives:  
**Yes on F, No on G**—Proposition F will close JFK

Drive in Golden Gate Park to automobile traffic on Saturdays (it is currently closed to automobiles on Sundays). Proposition G is a phony measure aimed at sabotaging F (it reads like it might close JFK Drive but it actually prohibits it. There's an amazing amount of money fighting Proposition F, way beyond what's rational for the closure of part of one road. There's strong fear this is the opening fight on commercialization of Golden Gate Park, where the vision of some is a park with parking garages, restaurants and stores. Those holding this vision do not want to see the roads to commerce used by a bunch of bicycle riders, roller skaters and families. They want the roads clear for the BMWs and SUVs. Yes on F, No on G.

**Yes on O**—This is a strong campaign finance reform initiative (at least as strong as the courts allow). Its put forth by Common Cause and the SF Ethics Commission. Much of the reason why tenants are in such hard straits these days is that the current system of campaign finance is tantamount to legalized bribery. Thus City Hall always represents the landlords and tenants always have to go the ballot to get anything.

**Yes on C**—This will equalize the retirement benefits of public employees. Currently, there's a two tier system whereby the most recent employees get less retirement money than those who started work long ago. Since nearly all the women and minority employees fall into the "recent" category (because it took lawsuits and agitation to equalize opportunity), the two tiered system is especially unfair. This will equalize it.

**No on M**—Every few years, the Taxi Industry puts forth a measure to screw taxi riders and rivers while lining their own pockets. It's Proposition M this year. It will allow the taxi companies themselves to hold "medallions" and will give them greater power to raise rates, limit cab service to the airport and lower drivers' pay. Vote No.

**No on A**—This is a bond measure to upgrade branch libraries. One problem with it is that the last library bond measure was promised to the voters as a measure which would also upgrade these branch libraries. But that never happened. Now we're supposed to believe that this one will upgrade the branches as well. Another problem is that bond measures are just plain expensive. To upgrade the libraries via a bond means we pay twice as much. There's too much fishy with this bond measure—Vote No.

**Yes on R**—This is just an advisory measure (meaning it's like a poll) but the fight over Pier 45 has become a choice of a tourist theme park or waterfront preservation. The tourist use involves creating a fake "Haight Ashbury," for example, so that tourists don't have to go to the real neighborhood but can instead go to a sanitized one. It's sick. The waterfront should not be developed like this. Proposition R ensures it will be preserved and used for non-tourist uses.

## School Board

### Eric Mar

The Tenants Union doesn't always endorse for School Board but in the case of Eric Mar we need to make an exception. Mar has been long active on progressive issues and has always been out front advocating for tenants rights. He will make an excellent member of the School Board.

## Si en H

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"Capital Improvement pass-throughs" (Paso de Costos para Mejoramientos Mayores). Proprietarios pueden pasárle un 100% de los costos de reparaciones a los inquilinos.

Mejoramientos que actualmente se pueden considerar "Mejoramientos Mayores" incluyen: pintura, alfombra, reparación del techo, nuevas paredes y cielo raso, enyasar las paredes, reemplazar los aparatos electrodomesticos, sistemas de calefaccion, instalaciones fijas, etc.

Estos mejoramientos agregan al valor de la propiedad y consecuentemente crean ganancias para los propietarios. Pero el costo entero se les puede pasar a los inquilinos con aumentábles el alquiler.

Los propietarios, mientras no pagan el costo de las reparaciones, pueden recibir descuentos en sus impuestos basado en el costo del trabajo.

El número de aumentos de alquiler para mejoramientos mayores han mas mls que redoblado entre 1998 y 1999 (de 1,484 unidades a 3,350). Estos alquileres quieren decir desplazamiento para residentes de largo plazo de San Francisco.

# Prop N Stops Evictions For Luxury Condos

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is in the mail and in your struggle to find new housing and remain in your city, you barely notice that *now there's restaurants with valet parking on Mission and Valencia Streets.*

Stopping the evictions which lead to this gentrification is what Prop N does. Even more than the very-important Proposition L, Prop N will stop the rapid gentrification of neighborhoods by stopping the evictions which get displacement and gentrification dynamic started.

Most non-fault evictions in San Francisco these days are for the purpose of converting rental units into expensive condominiums. Through the Ellis Act or "owner move in" or pretext evictions, about 1,000 apartments and flats each year are converted to condos. This means over 1,000 households evicted each year. Few of the evicted get to stay in San Francisco—just 17% based on a Bay Guardian 1998 analysis of evictions for condo-type conversions. While the people who buy these condos after we are evicted may be annoying (they own more SUVs, for example, and usually own at least one SUV), they're really not the true villains. The real enemy are the real estate speculators and investors who are evicting tenants.

Converting rental units into condos has become a million dollar industry in San Francisco for these real estate speculators. They make their money by evicting low, moderate and middle income tenants and then selling the apartments to people who have more money.

The John Hickey Real Estate Brokerage, for example, bought a 4 unit building in the Mission where 84 year old Lola McKay had lived for over 40 years. They evicted all the tenants, testifying in court that they planned to sell the units as condos. They expect to make a profit of about \$1 million. The same real estate company just evicted all the tenants from a 6 unit building in Polk Gulch for the same reason.

Or Zephyr Realty. Zephyr likes to send cold mailings to owners of multi-unit buildings, encouraging them to sell during this frenzied real estate market. They tell the owners that the building will be worth 20% more if they evict all the tenants. If the owner doesn't relish the idea of evicting everyone so they can turn a great profit into an obscene profit, one of Zephyr's agents is likely to buy the building. Zephyr realtor Bonnie Spindler, for example, has bought three buildings in three years and done two OMI evictions and one Ellis eviction. She also appears to be the main partner in another Ellis eviction of a North Beach apartment building bought by a corporation.

Or there's Mike Gallin of Frank Howard Allen Realty (formerly with notorious speculators Lynch Associates and Fred Sands Realty). Allen Realty (as a company) has done Ellis evictions for the purpose of converting apartments to condos. Gallin himself emptied a Noe Valley apartment building via an "Ellis Bluff" (he told the tenants we was going to evict them for Ellis and began advertising their apartments as "delivered vacant." They all moved without him actually having to do the eviction) and is now doing a "real" Ellis eviction for condos in a 6 unit building (2 senior and 1 disabled tenant). He's been behind the scenes of a number of other evictions and previously did a OMI eviction for condos in Hayes Valley.

The list is endless—real estate speculators preying on our neighborhoods and exploiting the housing crisis for their own personal gain—making millions by evicting seniors.

These speculators are getting away with these evictions and the conversions of the units to condos despite San Francisco's 20-year-old condo conversion law which is supposed to limit such evictions and conversions. Because of a loophole in the condo conversion law (which is used hand-in-hand with Ellis Act evictions), evictions for such condo conversions are unlimited and unregulated. Over 1,000 each year, in fact.

The loophole they exploit is the selling of individual units as "condominium-type units" (such as some TICs) without recording the ownership of the individual units on the deed itself (instead the ownership is recorded via "side agreements"). This maneuver lets them sidestep the condo conversion law and evict and convert without limit.

Prop N very simply stops this practice. Prop N says that whenever an apartment or flat is sold individually, then the sale must be recorded on the deed (not in side agreements). That simple requirement means the condo conversion law applies. And bringing

these conversions under the condo law means a lot. It means:

- No senior or disabled tenant can be evicted.
- Conversions of rental units are limited.
- Buildings where all tenants are evicted (as in the Ellis Act) can not be converted to condos.
- Buildings bought by real estate speculators can not be converted to condos (as only buildings which have been owner-occupied for at least 3 years are eligible).
- A building can not be converted unless at least one tenant wants to buy their own unit.
- If a building is converted, all tenants get the first right to buy their own apartments at a set price.
- Any tenant who does not want to buy (and who is not a senior or disabled tenant) gets relocation benefits before having to move.

Prop N will drive out the real estate speculators and for all practical purposes will limit condo conversions to those buildings where tenants are buying their own units. Rather than seeing all tenants evicted so that an unlimited number of units can be sold to the highest bidders, we will see very few evictions, as the conversions will not entail evictions but will entail tenants becoming owners.

Prop N will also guarantee that our most vulnerable—senior and disabled tenants—will not be evicted. And Prop N will ensure that the conversion of rental units to condos is limited and regulated, so that instead of seeing one new rental unit built for every three

converted, we will see a ratio more like three units built for every one converted.

Most importantly, though, Prop N assures that our neighborhoods will not change forever as long-time residents are evicted and displaced. Prop N assures we will maintain the diversity and character of our city where seniors, families, working people, communities of color, young people are all welcome. And Prop N assure that San Francisco will not become a city just for the rich and wealthy.

## Prop H Means Lower Rents

*Continued From Page One*

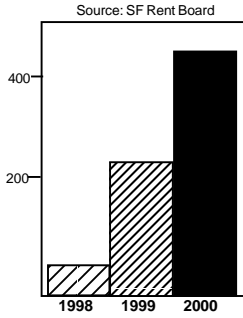
These rent increases are eviction notices. Landlords make 100% of the profits, but tenants pay for 100% of the costs.

On top of that, landlords triple-dip by writing off the costs on their tax returns and by getting the value of the improvement. Join the SF Democratic Party, The Labor Council, Senior Action Network, and tenants across the city in voting Yes on Proposition H. Stop unfair rent increases because rents are too high already!

## Yes on Prop N Fact Sheet

- 7,500 rental units have been lost since 1990, according to the US Census. This is a net loss, after factoring in new construction. As an example, the 1998 Housing Inventory Report from the Department of Planning showed that for every one rental unit constructed, three were converted to other uses.
- The rental vacancy rate in San Francisco has been between 0.5% and 1% since 1996. This extremely low vacancy rate is a direct result of the loss of 7,500 units and is the main cause of higher rents. Urban planners consider a vacancy rate of less than 4% indicative of a housing crisis.
- Analysis of Post Office address corrections for all tenants evicted for conversion of rental housing in 1998 found that 83% moved out of San Francisco. The 2000 US Census "snapshot" also found that in the last ten years, over 45,000 renters were displaced from San Francisco.
- Between 1,000-1,200 units are currently being converted each year, based on analysis of Rent Board data on Ellis Act evictions and OMI evictions.
- The average 2-bedroom apartment in 1999 rented for over \$2,100, based on a survey of Classified Ads in the Sunday Examiner/Chronicle.
- The Association of Realtors surveyed housing affordability nationwide this Summer. Among their findings:
  - Less than 8% of San Franciscans can qualify for a mortgage on the average \$375,000 home.
  - San Francisco County has the highest housing costs of any county in the United States.
- The average cost of a 2-bedroom condo-type unit in 1999 was \$419,000. This is based on a survey of TICs advertised in October, November and December of 1999. Condo-type units, because typically located in favorite central city neighborhoods, are in fact more expensive than single family homes.
- The 1979 condo conversion law was written to include TICs. They only became exempt after a 1983 court case said TICs could avoid inclusion in the condo law if they did not specify on the deed that the units were sold individually.
- Most Ellis Act evictions for condo-type conversions are done by real estate speculators and investors. In 1999:
  - 65% of all Ellis evictions were done by landlords who owned the building less than a year.
  - 45% of all Ellis evictions were done landlords who live outside of San Francisco.
  - 55% of landlords who evicted under Ellis owned 10 or more rental buildings; 80% owned four or more buildings.
- Tenants evicted for condo conversion under the Ellis Act are long-term tenants who have lived in their homes at least a decade (based on a survey of 1999 Ellis evictions):
 

Average Tenancy	13 YEARS
Average Rent	\$886
Average Unit Size	2 BEDROOMS
Average Building Size	4 UNITS



## Condo Evictions Soar By 80%

From the Mission to Pacific Heights, evictions are soaring. Since 1999, evictions for condos jumped 80%! Families are evicted. Seniors are evicted. Artists are evicted. Communities of color are evicted. Longtime residents in every neighborhood are being forced from the City.

Real estate speculators are preying on San Francisco's neighborhoods. They buy apartment buildings, evict all the tenants, and then sell the empty apartments as condos. Renters live in fear of seeing a "For Sale" sign on their building, knowing it means an eviction. We watch as our longtime neighbors and friends are evicted and our neighborhoods change. YES on Prop N shuts out the speculators and stops the evictions..

## YES on PROP N Stops Evictions & Saves Housing

Condo conversions mean the pain of eviction. But they also mean a loss of housing. Since 1990, the U.S. Census reports, we lost 7,500 units of rental housing due to conversions. The near-zero vacancy rate and high rents reflect this loss. Most conversions are to condo-type units.

The City's Master Plan makes preserving rental housing a priority goal. The Master Plan also recommends closing the loopholes so condo-type units, like TICs, are regulated.

Two-thirds of San Franciscans are renters. Not by choice: fewer than 8% can qualify for a mortgage for a condo unit or a single family home. Yes on Prop N preserves rental housing, the only housing affordable for most San Franciscans.



# YES ON PROP N

*Save Housing & Stop Evictions*

*Prohibit Evictions of Senior & Disabled Renters*

*Preserve San Francisco's Character & Diversity*

*Prop N prohibits the evictions of seniors for condo conversions. Vote YES.*

*Senior Action Network*

## YES on PROP N We Need More Affordable Housing, Not More Evictions

Tenants are being evicted across the city so rental units can be converted to expensive condo-type units. Our condo conversion law was designed to stop such evictions, but a loophole allows such evictions. Prop N closes this loophole.

Prop N says that whenever a single unit is sold individually, the condo conversion law applies. This is not people buying buildings together, this is the sale of individual apartments and flats as condos. Real estate speculators make millions by evicting tenants and selling the units. Yes on Prop N closes the loophole and stops these evictions.

I WANT TO JOIN THE SFTU!

NAME: \_\_\_\_\_

ADDRESS \_\_\_\_\_ ZIP: \_\_\_\_\_

PHONE: (H) \_\_\_\_\_ (W) \_\_\_\_\_

LANDLORD'S NAME: \_\_\_\_\_ DATE MOVED IN: \_\_\_\_\_

# OF UNITS IN BLDG: \_\_\_\_\_ # OF BEDROOMS IN UNIT: \_\_\_\_\_ CURRENT RENT: \_\_\_\_\_

1 YEAR:  \$45 HOUSEHOLD  \$35 REGULAR  \$65 SUSTAINER  \$25 LOW INCOME

2 YEARS:  \$75 HOUSEHOLD  \$60 REGULAR  \$120 SUSTAINER  \$45 LOW INCOME

MAIL WITH YOUR CHECK TO: SFTU, 558 CAPP ST., SF, CA, 94110

WE WILL MAIL BACK YOUR HANDBOOK AND THE MEMBER PHONE NUMBER