

BORNSTEIN LAW

San Francisco Landlord Summit

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November 7, 2018

- ❑ **Discussion: Post-Election Results**
- ❑ **Rent Control vs. Non-Rent Control**
- ❑ **Just Cause Eviction / SF Rent Ordinance**
- ❑ **Owner/Relative Move-In Evictions & Protected Tenants**
- ❑ **Q&A Session**

Proposition 10: Repeal of Costa Hawkins

▶ **Failed!**

Consequences:

Proposition 5: Senior Property Reduction

- ▶ Failed 😞
- ▶ Consequences: No amendment to Proposition 13 to change how tax assessments are transferred between properties for homebuyers who are age 55 or older or severely disabled.

Post-Election Results: San Francisco

- ▶ San Francisco Measure A “Embarcadero Seawall Earthquake Safety Bond: Passed ☹️
- ▶ Consequences: Estimated Tax Rate of \$0.013 per \$100 of assessed property value & authorizing landlords to pass-through 50% of the result property tax increase to residential tenants in accordance with Administrative Code, Chapter 37.

Post-Election Results: Oakland

- ▶ Oakland W “Vacant Property Tax”: Passed ☹️
 - ▶ Consequences: Parcel tax for properties in use less than 50 days during a calendar year
 - ▶ Residential Homes, Non-Residential, & Undeveloped: \$6,000 per parcel
 - ▶ Condominium or Duplex: \$3,000 per vacant unit
 - ▶ Parcel with ground floor commercial: \$3,000 per parcel
- ▶ Oakland Y “Remove Protections for Small Property Owners”: Passed ☹️
 - ▶ Consequences: Removes 2 and 3 unit owner-occupied exemption from Measure EE & grants city council more authority to add eviction defenses
- ▶ Oakland AA “Parcel Tax”: Failed!
 - ▶ Consequences: A parcel tax at the rate of \$198 per parcel will not be established for 30 years at this time.

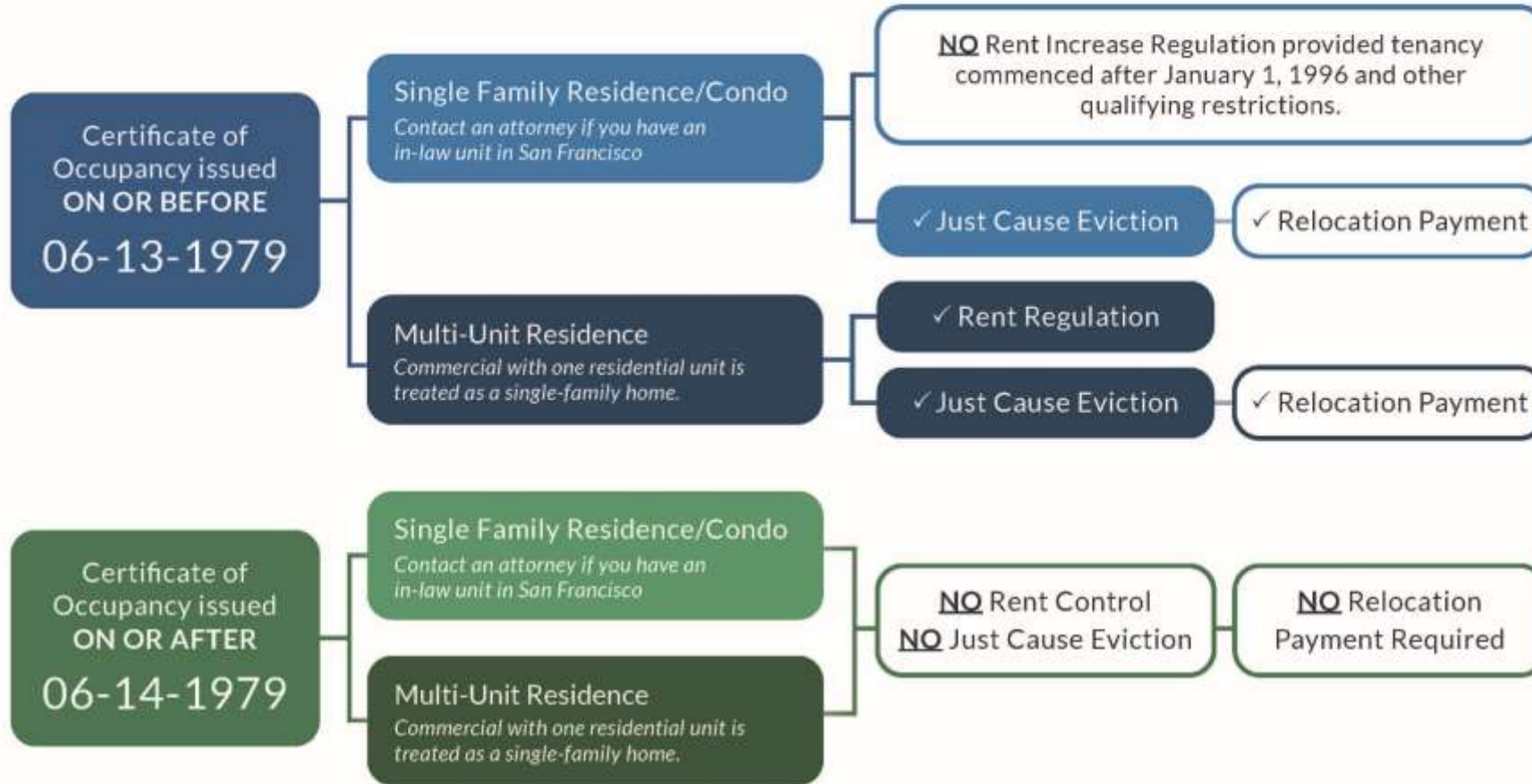
Post-Election Results: Berkeley

- ▶ Berkeley Measure P “Transfer Tax”: Passed ☹
 - ▶ Consequences: Increased tax rate on transfer of real property from 1.5% to 2.5%
- ▶ Berkeley Measure Q “Rent Ordinance Amendments”: Passed 😊
 - ▶ Consequences: Exempts units containing permitted ADUs where the owner resides on the property as his/her principal residence from rent control and good cause protections
 - ▶ Exemption does not apply for tenancies created before November 7, 2018.
 - ▶ Portions contingent upon Prop. 10 passing are preempted.

Post-Election Results: Santa Cruz

- ▶ Santa Cruz Measure M “Rent Control Charter Amendment”: **Failed!**
- ▶ Consequences: No rent control or just cause eviction protections will be implemented at this time.

SAN FRANCISCO RENT CONTROL REFERENCE SHEET[©]



Just Cause Eviction Rules

There are 15 just cause reasons for eviction under Ordinance Section 37.9(a).
The most common ones are:

- ▶ Non-payment of rent or habitual late payment of rent
- ▶ Breach of a rental agreement or lease
- ▶ Owner-occupancy or occupancy by a member of the landlord's immediate family
- ▶ Capital Improvement / Terminations
- ▶ Ellis Act
- ▶ Nuisance
- ▶ Removal of In-law unit

BORNSTEIN LAW'S SF OWNER MOVE-IN REFERENCE SHEET

OWNER MOVE-IN TENANCY TERMINATION REQUIREMENTS

Certificate of
Occupancy issued
ON OR BEFORE
6-13-1979

1

For 36 continuous months, must occupy as principal place of residency

36 Months

37th month

Free to vacate

Certificate of
Occupancy issued
ON OR AFTER
6-14-1979

2

For 60 months, if re-rented, must first be offered to displaced tenant, thereafter open market.

60 Months

61st month

Free to rent to
Third Parties

3

For 60 months, if re-rented, must be rented at rent no greater than prior displaced tenant's rent.

60 Months

61st month

If vacant,
can rent at
market rate

NO OMI REQUIRED,
STRAIGHT TERMINATION

Always consult an attorney for legal advice and help making decisions.

**Relocation Payments for Evictions based on Owner/Relative Move-in OR
Demolition/Permanent Removal of Unit from Housing Use OR
Temporary Capital Improvement Work OR Substantial Rehabilitation***
[Rent Ordinance Section 37.9C]

Date of Service of Notice of Termination of Tenancy ("Eviction Notice")	Relocation Amount Due Per Tenant	Maximum Relocation Amount Due Per Unit	PLUS Additional Amount Due for Each Elderly (60 years or older) or Disabled Tenant or Household with Minor Child(ren)
3/01/17 – 2/28/18	\$6,281.00	\$18,843.00	\$4,188.00
3/01/18 – 2/28/19	\$6,627.00	\$19,881.00	\$4,419.00

* See Ordinance Section 37.9C for additional relocation requirements for evictions under 37.9(a)(8) (owner/relative move-in), 37.9(a)(10) (demolition/permanent removal from housing use), 37.9(a)(11) (temporary eviction for capital improvement work) and 37.9(a)(12) (substantial rehabilitation). Effective 1/1/13, the amount of relocation payments for temporary capital improvement evictions under 37.9(a)(11) for less than 20 days is governed by California Civil Code Section 1947.9 and not by Rent Ordinance Section 37.9C.

Relocation Payments for Tenants Evicted Under the Ellis Act*
[Rent Ordinance Section 37.9A]

Date of Service of Notice of Termination of Tenancy ("Eviction Notice")	Relocation Amount Due Per Tenant	Maximum Relocation Amount Due Per Unit	PLUS Additional Amount Due for Each Elderly (62 years or older) or Disabled Tenant
3/01/17 – 2/28/18	\$6,286.03	\$18,858.07	\$4,190.67
3/01/18 – 2/28/19	\$6,632.39	\$19,897.15	\$4,421.58

* See Ordinance Section 37.9A for additional relocation requirements for evictions under 37.9(a)(13) (Ellis Act).

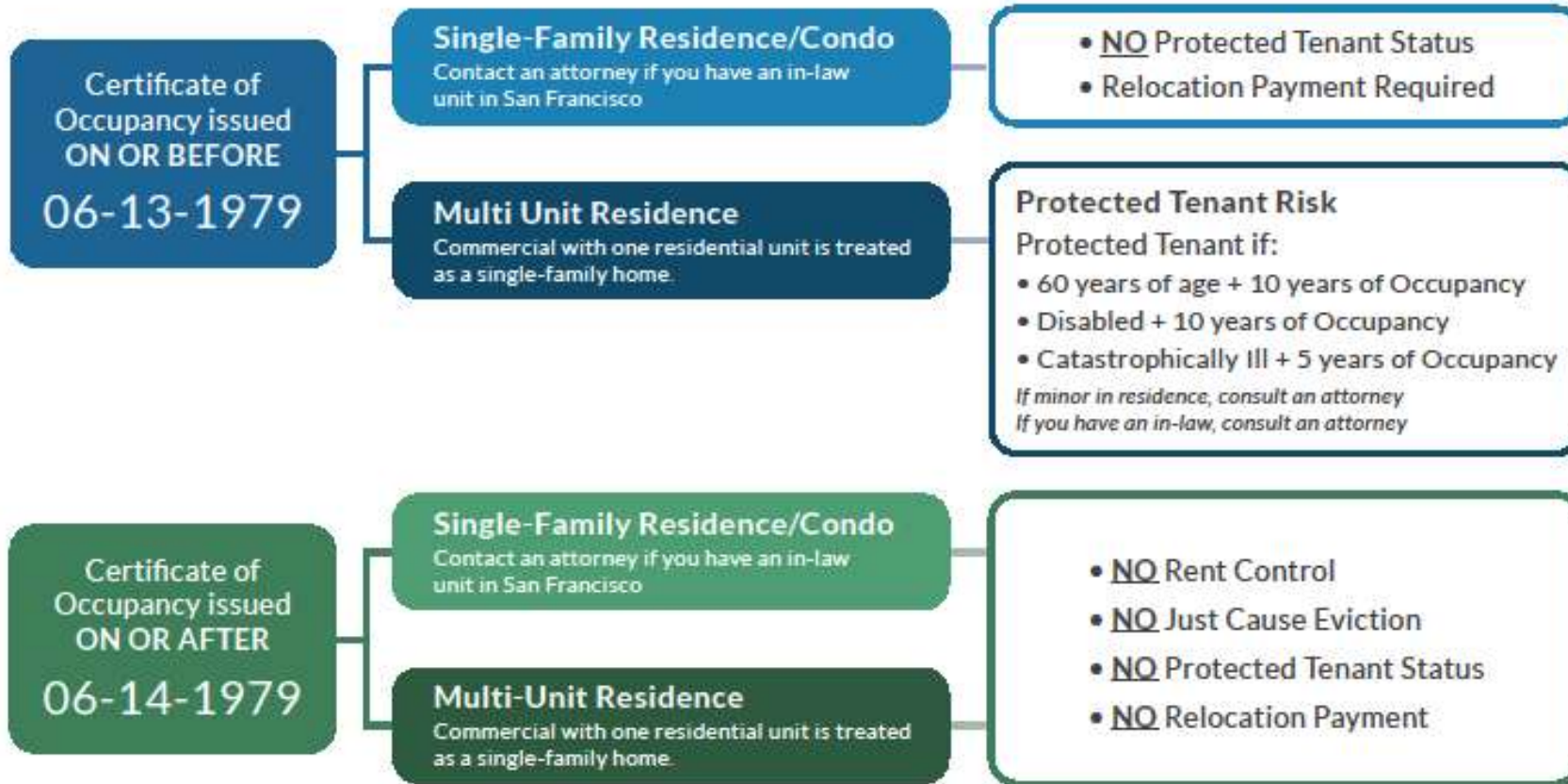
Relocation Payments for Temporary Displacement for Less Than 20 Days
[Civil Code Section 1947.9]

Date of Service of Notice of Termination of Tenancy ("Eviction Notice")	Relocation Amount Due Per Tenant Household
3/01/17 – 2/28/18	\$341.00/day (plus actual moving expenses)*
3/01/18 – 2/28/19	\$360.00/day (plus actual moving expenses)*

* See California Civil Code Section 1947.9(a)(2) which provides that the landlord shall have the option to provide a comparable dwelling unit and pay any actual moving expenses in lieu of paying the daily compensation rate.

SAN FRANCISCO PROTECTED TENANT REFERENCE SHEET[®]

FOR USE WITH "OMI" AND RMI" EVICTIONS

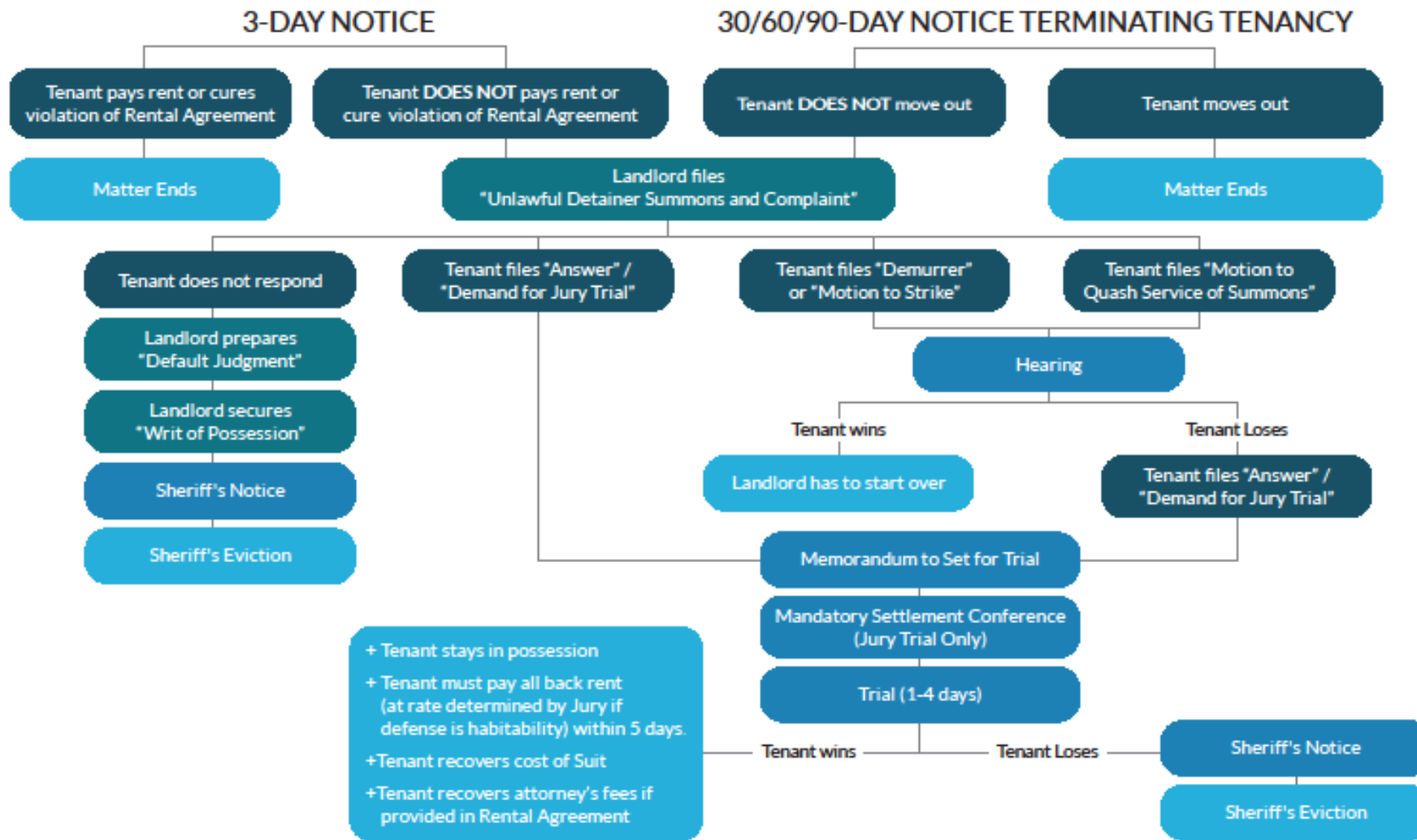


Tenant Surrender of Possession Agreements

Bornstein Law can provide you with a draft surrender of possession agreement, within 48 hours of receipt of the following information:

1. Names of Owner(s)
2. Names of Tenants and/or Occupants
3. Address of Rental Unit
4. When are the tenants vacating the unit?
5. How much are you paying them?
6. When are you going to pay them (upon signing settlement agreement or upon giving the keys to you)?
7. Are the tenants going to continue to pay rent for the duration of their time in the rental unit or is the rent waived?
8. Are you returning the security deposit according to law or are the tenants forfeiting the security deposit?

THE EVICTION PROCESS[®]



THANK YOU!



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