

9-3-2021

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Citation

Asquith, Brian J. and Shane M. Reed. "Rent Control in California: Policy Review." 2021. Report prepared for the W.E. Upjohn Institute for Employment Research.

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Rent Control in California: Policy Review

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September 2021

Abstract

The largest number of housing units subject to rent control can be found in California, but the policy environment is quite complex and is characterized by a series of interacting state and local laws. This complexity represents a significant barrier for researchers and policymakers seeking a clear and accurate picture of how rent control works in California, and how it incentivizes different behaviors among landlords and tenants alike. This technical report surveys rent control rules in California, with special attention paid to the recent statewide rent caps, historic developments, and the systems in Los Angeles and San Francisco. This report should be regarded as a selective snapshot of the current system, and researchers interested in pursuing their own analyses involving the California systems are encouraged to conduct supplemental legal research. This paper will be updated on a rolling basis as further information comes to light.

JEL Codes: R52, R58, K25

Keywords: rent control, evictions, California, San Francisco, Los Angeles

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Introduction

This technical paper reviews the policy background for municipal rent control (also known as “rent stabilization”) ordinances in California, with special attention paid to statewide historic developments and to Los Angeles and San Francisco. It focuses on the regulations on rent caps, capital improvement pass-throughs, just-cause evictions, and conversions to condominiums or other means of exiting the controlled system.² Some attention is given to when each regime started, but policy variation is best documented from 2000 to the present. However, cities that imposed emergency rent control measures in response to the COVID-19 crisis are not covered. This report is also regarded as a work in progress and may be intermittently amended on a rolling basis as new information comes to light.

1 California Laws

Rent controls started springing up in California cities in the late 1970s in response to persistently high inflation rates that sent rents soaring. Table 1 shows the date enacted for rent control ordinances for the 14 California cities that have permanent rent controls as of May 2021. These municipal rent control regimes coexist with a looser form of statewide rent control that became active on January 1, 2020. Both the statewide and municipal systems are constrained primarily by two state laws, the Ellis Act and the Costa-Hawkins Act, which regulate what the cities can and cannot do to regulate the controlled housing supply.

1.1 Statewide Rent Controls

The statewide law only applies in unincorporated areas and municipalities that do not have rent controls. Total rent increases over the course of a year are limited to 5 percent, plus local inflation, of the rent in the immediately preceding 12-month period and cannot

²These topics by no means exhaust all the universe of relevant policy details. For example, this report does not address policy variation over exactly which kinds of buildings are controlled (mobile homes, duplexes, etc.), nor does it focus on the ability of controlled landlords to buy out their tenants.

exceed a total of 10 percent.³ The local rate of inflation is defined as the percentage change from April 1 of the prior year to April 1 of the current year in the regional Consumer Price Index in question.⁴ Rents can be increased up to these limits only twice in an annual period.⁵

Controls apply to buildings that are 15 years or older, so that new buildings enter the system on a rolling basis.⁶ California’s statewide law has no specific provisions allowing landlords to pass-through to tenants one-time capital improvements or maintenance costs.

Tenants also have just-cause eviction protections. Specifically, this law is meant to cover jurisdictions that do not have a rent control or just-cause eviction law that provides greater protections than the statewide law. Just-cause protections kick in after a tenant has occupied the unit for 12 months.⁷

1.2 Ellis Act

The Ellis Act was enacted into law by the California State Legislature on July 1, 1986, in response to the 1984 California Supreme Court Case *Nash v. City of Santa Monica*,⁸ where 17-year old landlord Jerome Nash sued the city of Santa Monica for the right to evict all his tenants and demolish the rent-controlled apartment building his mother had helped him buy. Santa Monica had recently passed a rent control law that also included restrictions on either demolishing or converting controlled units to condominiums. Nash admitted in court that he could achieve a “fair” return under Santa Monica’s laws, but nevertheless he claimed that Santa Monica’s laws amounted to an unconstitutional taking of his property without due compensation:

“There is only one thing I want to do, and that is to evict the group of ingrates

³California Civil Code Section 1947.12(a)(1).

⁴California Civil Code Section 1947.12(g)(2).

⁵California Civil Code Section 1947.12(a)(2).

⁶California Civil Code Section 1947.12(d)(4).

⁷California Civil Code Section 1946.2.(a). If another adult tenant is added to the lease before the primary tenant has occupied the unit for at least 24 months, then just-cause protections only kick in once all the tenants have continuously occupied the unit for 12 months or more or once at least one tenant has occupied the unit for 24 months or more (California Civil Code Section 1946.2.(a)(1)-(2)).

⁸California Legislature (1986), pp. 570–571.

inhabiting my units, tear down the building, and hold on to the land until I can sell it at a price which will not mean a ruinous loss on my investment” (*Nash v City of Santa Monica*, 37 Cal. 3d 97 (1984)).

The California Supreme Court ruled against Nash, asserting that municipalities had a right to regulate their housing supply and that Santa Monica’s regulations did not amount to a 14th Amendment violation. In response, the California Legislature effectively overruled the California Supreme Court by enshrining into law the right for a landlord to retire a building from the rental market by evicting all of their tenants, subject to certain conditions. Local municipalities could no longer prevent landlords from exercising their rights to leave the rental business, but were allowed to regulate Ellis Act evictions via notice requirements, relocation payments, and other restrictions.

The legislature later amended the Ellis Act in 1999 to require that landlords give at least 120 days notice to tenants of eviction,⁹ and allows renters who are at least 62 years of age or disabled, and who have lived in their apartment for at least one year, to get a one-year notice.¹⁰ It also extended from one year to two years the period for municipalities to enforce their rent control ordinances on the Ellis Act buildings if the landlords put them back on the rental property market after being withdrawn.¹¹ Further, if a landlord seeks to return the vacant building to market within 10 years of pursuing an Ellis Act eviction, the landlord must give the evicted tenants the right of first refusal to their original unit.¹²

1.3 Costa-Hawkins Act

By 1990, 12 cities had enacted rent control on most rental units (Greenberg et al. 2015), and 64 cities had enacted rent control in mobile home parks. However, as the power of urban tenant groups began to wane in the late 1980s and early 1990s, a group of legislators led

⁹California Government Code § 7060.4(b).

¹⁰California Government Code § 7060.4(c)(5)(A).

¹¹California Government Code § 7060.2(a)(1)-(4).

¹²California Government Code § 7060.2(b)(2).

by then-Senator and current Congressman Jim Costa and then-assemblyman Phil Hawkins introduced the Costa–Hawkins Rental Housing Act. The act was enacted into law by the California State Legislature on July 24, 1995. *CA Civ Code § 1954.50*.¹³ The bill does not prohibit the adoption of local rent control ordinances but ensures that the right to control rents on housing units financed by the California Housing Finance Agency or the Department of Housing and Community Development are not subject to rent control imposed by any other agency. It also established categories of rent control, either “strict” or “moderate.” Strict rent control is defined by the prohibition on a rent increase when a new tenant occupies the unit, so-called vacancy control. Moderate rent control does not control the rent on a unit when it becomes vacant, so-called vacancy decontrol.

The primary focus of the Costa–Hawkins Act was on preempting local laws on vacancy control and strict rent controls generally. The act permitted landlords to “establish the initial rental rate for a dwelling or unit” following voluntary leave by tenants or following for-cause evictions.¹⁴ For cities that had strict rent control, the preemption process was phased-in over three years. Accordingly, on January 1, 1999, it went into full effect.¹⁵ Importantly, the act also created large exemptions from rent control for “separately alienable” units,¹⁶ including all single-family homes and most condominiums. It also exempted all new construction, meaning all units with a certificate of occupancy after February 1, 1995.¹⁷

In the 25 years that the act has been law, there have been numerous lawsuits filed that relate directly to the law, most prominently *Palmer*,¹⁸ *Burien LLC*,¹⁹ and *Mosser*.²⁰ In *Palmer*, the State Court of Appeals found that a city of Los Angeles ordinance requiring affordable housing units in the construction of new rentals conflicted with the vacancy de-

¹³California Legislature (1995), Ch. 331, Sec. 1.

¹⁴California Government Code § 1954.53(a).

¹⁵California Government Code § 1954.52(C)(i).

¹⁶California Government Code § 1954.52(a)(3)(A).

¹⁷California Government Code § 1954.52(a)(1).

¹⁸*PALMER SIXTH STREET PROPERTIES v. CITY OF LOS ANGELES*, Cal: Court of Appeal, 2nd Appellate Dist., 4th Div. 2009.

¹⁹*Burien, LLC V. Wiley*, (2014) 230 CAL. APP. 4TH 1039.

²⁰*Mosser Co. v. San Francisco Rent Stabilization and Arbitration Bd.*,(2015) 230 CAL. APP. 3RD 1039.

control provisions of the Costa-Hawkins Act, which allows residential landlords to set initial rent levels. This was such a controversial condition of the act that there were numerous attempts to overturn this proviso. That resulted in AB 1505, passed in 2017, which allows for municipal governments to include affordable housing units in rentals.²¹

In *Burrien LLC*, the State Court of Appeals found that a Los Angeles landlord who had converted apartments to condominiums was not covered by the Costa-Hawkins exemptions from rent control, as the purpose of the statute’s exemption was to promote bonafide construction and not token reclassification. In *Mosser*, the State Court of Appeals allowed for the intergenerational transfer of rent-controlled units, as they found that while the Costa-Hawkins Act does allow a landlord to establish a new rental rate when “original occupants” on the lease vacate, this decontrol is not available if a minor child, living with guardians at the beginning of the lease, remained there afterward.

2 Los Angeles

Los Angeles’ rent control law is significantly stricter than the statewide law. Table 1 recapitulates some of its basic facts. The ordinance became effective May 1, 1979. Total annual rent increases cannot exceed the regional CPI rate, and this annual allowable increase is itself capped at 8 percent, and cannot be less than 3 percent. Rent control applies to multifamily dwellings with at least two or more units with a certificate of occupancy issued before October 1, 1978. As of 2017, approximately 40 percent of the total housing stock and nearly 70 percent of Los Angeles’ total rental units are subject to rent controls (Phillips 2019).

²¹California Government Code §65850.01.

2.1 Eviction Regulations

Each California municipality is allowed to mandate rules on evictions. In the city of Los Angeles, there are 15 such “just causes,” which are given in Table 2.²²

The city of Los Angeles began mandating “relocation assistance” in May 1979. In October 2007, the Los Angeles Housing Department went further and began providing relocation assistance services as well (Marisol and Romero 2009).

Landlords in Los Angeles are allowed to buy out tenants in order to vacate the unit. The cash buyouts are often known as “voluntary vacate” or “cash for keys.” Cash-for-keys offers can be useful to expedite the process of vacating rent-controlled buildings through the Ellis Act. The city did not begin requiring landlords to notify the city of all cash-for-keys agreements until January 2017. Countless DIY blogs and legal offices in Los Angeles have websites outlining how this procedure works, indicating the volume of individuals undergoing this process. Recent stories on the earliest data Los Angeles released show increasing numbers in the cash-for-keys buyouts (McGahan 2017).

2.2 Condo Conversion

Converting a Los Angeles apartment complex into condominiums is theoretically possible but relatively rare in practice. The first burden is that under Los Angeles law, condo conversions can be blocked when the vacancy rate in an area falls below 5 percent.²³ In many cases, because of how the Costa-Hawkins Rental Housing Act has been interpreted in Los Angeles, there is no guarantee that the new development will be exempt from rent-control, heavily shading projected profit margins. Because of very public developments on this front, the city of Los Angeles developed a whole section of municipal code devoted to this issue.²⁴ The landlord of a unit trying to convert his unit must obtain the unanimous consent of his tenants, and the buyouts can become quite expensive as the tenants are legally entitled

²²In parts of unincorporated Los Angeles County which also have rent controls, there are only six.

²³Los Angeles, Cal., Ordinance No. 153,024 § 4(0)(6) (Oct. 4, 1979)].

²⁴Los Angeles Municipal Code, Title 8, Division 3, Chapter 8.48 - CONDOMINIUM CONVERSION

to many concessions including compensation for anticipated rent increases. The landlord must also make a substantial payment to the city housing department, where the money is intended to be used on housing subsidies within a five-mile radius of the development.²⁵

2.3 Additional Regulations

The generosity of the relocation fees depends on whether or not the tenant is merely “eligible” or “qualified.” While this nomenclature choice can be somewhat confusing, in short, all tenants within the city of Los Angeles are considered “eligible,” and being “qualified” is a subset of the general populace. It includes people who are 62 years of age or older, handicapped (as defined by the state of California), disabled (defined as receiving federal disability benefits), or anyone with at least one dependent minor child. This status is independent of being defined as “low-income,” which also factors into the generosity of said payments, along with the number and size of properties the landlord owns.²⁶

3 San Francisco

San Francisco’s municipal rent control is among the tightest in the state of California. As of 2015, approximately 49 percent of the total housing stock and over 75 of San Francisco’s total rental units are subject to rent controls. City of San Francisco Planning Department (2018) Rent increases are capped at 60 percent of the regional CPI, so controlled rents not only will often fail to keep up with market rents but also erode quickly in real terms.

3.1 Eviction Regulations

Unlike uncontrolled landlords, controlled landlords must have a just cause for an eviction. The 15 grounds for a just-cause eviction are given in Table 4. Seven are for an at-fault tenant,

²⁵The portion paid to the Housing Department is at least \$1,492 for each unit. See <https://hcidla2.lacity.org/partners/condominium-conversion-fees> for more information.

²⁶Los Angeles Municipal Code 151.09.G, (Amended by Ord. No. 184,822, Eff. 4/30/17.)

who is in some way in breach of the lease and 8 are no-fault eviction reasons.

The 2 most commonly used no-fault eviction types, owner move-in (hereafter OMI) and Ellis Act evictions, come with some significant regulations. Table 5 shows how San Francisco passed various policy changes between July 2003 and December 2013 to regulate controlled evictions. Other rules include suspending vacancy decontrol on withdrawn units for up to 3 years after an OMI eviction and 10 years after an Ellis Act eviction if the landlords re-rent the units. Landlords can only do one OMI eviction per building and the set-aside unit is marked on the deed. A post-Ellis Act vacant building faces additional restrictions. A 10-year period is marked on the deed where the new building exemption is suspended for the property. If the landlord demolishes the old units and builds new ones during this time, rent control will apply until the waiting period expires.

Landlords in San Francisco are also required to give out relocation payments if they perform an Ellis Act or other no-fault eviction, with higher amounts for elderly and disabled tenants and tenants with dependent minor children. Table 6 shows what landlords would have to pay to different tenant types in the case of an Ellis Act or other no-fault evictions, like OMIs. Relocation payments grew with time so that by December 2013, a landlord had to pay roughly \$5,200 for each evicted tenant, capped at about \$15,620, with a protected surcharge of about \$3,470.

Noncontrolled landlords can evict tenants without cause, pursuant only to the lease and relevant state and city statutes. However, San Francisco is clear that controlled unit evictions should only happen “in good faith” (San Francisco Administrative Code §37.9(8)).²⁷ The good faith requirement also pertains to at-fault evictions. If the city determines that the landlord wrongly took possession of the unit, the city can sue for injunctive relief and monetary damages three times actual damages.²⁸

As in Los Angeles, evictions can be avoided altogether through a buyout agreement.

²⁷More specifically, landlords can only use the no-fault evictions to “...recover possession in good faith, without ulterior reasons and with honest intent,” San Francisco Administrative Code § 37.9(8).

²⁸San Francisco Administrative Code 37.9(f).

Court cases for at-fault evictions are costly, time-consuming, and uncertain, so that landlords may prefer to buy out a tenant first. Unfortunately, San Francisco only started regulating and publishing detailed information on buyouts in 2015,²⁹ so it is hard to know empirically how pro- or contracyclical buyouts are.

3.2 Condo Conversion Regulations

One important rent control exit channel, condo conversion, can be done only via one of two processes: an annual conversion lottery and a special bypass process for two-unit buildings. Until 2013, landlords could participate in an annual conversion lottery. Only buildings with two-to-six units were eligible to participate, and buildings with seven or more units had no ability to condo convert at all. Total conversions were capped at 200 units annually. The lottery gave very strong preference to landlords with a “clean” eviction history.³⁰

Two-unit buildings could additionally bypass the lottery to condo convert if they satisfied an ownership rule whereby two nonrelated, separate owners had at least a 25 percent stake in each apartment. This lottery bypass was unlimited, and planned conversions were allowed to proceed even after the lottery was suspended. Importantly, there is no “clean” eviction requirement for utilizing the lottery bypass to condo convert. A landlord could perform an Ellis Act eviction, occupy one unit, find a buyer for the now-vacant other unit, and then convert the building to a tenancy-in-common. After a year, the tenancy-in-common units could be converted to condos, with the ability to resell the units (Asquith 2019b). The other means to exit rent control was if they chose to convert down to a single-family unit, but they could only do so if they did not have a tenant who had been continuously in residence since 1996.

²⁹Currently, only a limited time series is available, although this will be a rich source of information for future researchers in a decade.

³⁰More information on the lottery is in Asquith (2019a, 2019b).

3.3 Additional Regulations

Beyond the condo conversion and eviction system, there are some additional rules that controlled landlords must observe before changing their supply. Landlords were initially allowed to pass through capital improvements costs to tenants, which was then exploited by some landlords as backdoor means of increasing rents beyond the annual cap. On November 7, 2000, Proposition H passed, which effectively barred landlords from passing through any capital improvements on to their tenants except the bare minimum required to give landlords their constitutionally mandated fair return. After a lawsuit and a permanent injunction, Proposition H went into effect in April 2003 and effectively forced landlords to adopt longer amortization tables and limited increases to 5 percent of the tenant's base rent as of the time the petition was filed or \$30.00, whichever is greater, in any 12-month period.

Landlords could exit rent control through substantial rehabilitation as well, but the city has let only six buildings exit rent control this way since 1992 so it can be safely set aside in most analyses. The main reason it is not more commonly pursued is that only buildings 50 years or older are eligible, and the landlord must perform renovations equivalent to 75 percent of the cost of constructing the building anew.³¹

³¹San Francisco Administrative Code Chapter 37, Section 2(s). Correspondence with the San Francisco Rent Board Executive Direction Robert Collins on June 10, 2019, confirmed that the 50-year requirement has been in place since the ordinance will first passed in 1979.

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TABLE 1
California Locality Rent Controls and Evictions Policies, May 2021

City	Enactment Date	Subject to Controls if the Building is...	Max Annual Allowable Rent Increase	Just-Cause Evictions?
Alameda ^a	3/1/2016	2+ units built <2/1/1995	City council chooses w/in 1-5%	Y
Berkeley ^b	5/31/1980	2+ units built <6/1/1980 & single units occupied <1996	65% of reg. CPI	Y
Beverly Hills ^c	9/19/1978	2+ units built <2/1/1995	Greater of 3% or reg. CPI	Y
East Palo Alto ^d	4/1/1988	2+ units built <2/1/1995 & single units built <1/1/1988	80% of reg. CPI up to 10%	Y
Hayward ^e	9/13/1983	2+ units with occupancy built <7/1/1979	5%	Y
Los Angeles ^f	5/1/1979	2+ units built <10/1/1978	Reg. CPI bounded w/in 3-8%	Y
Los Angeles County ^g	4/1/2020	2+ units with occupancy built <2/1/1995	Reg. CPI up to 8%	Y
Los Gatos ^h	10/27/1980	2+ unit built <2/1/1995	Smaller of 5% or 70% of reg. CPI	Y
Oakland ⁱ	1980	4+ units & built <1/1/1983	Reg. CPI up to 10%	Y
Palm Springs ^j	4/1/1980	2+ built <4/1/1979	Council decides up to 75% of reg. CPI	Y
San Francisco ^k	6/13/1979	2+ units built <6/13/1979	60% of reg. CPI	Y
San José ^l	7/1/1979	Any rental unit built <9/9/1979	5%	N
Santa Monica ^m	4/10/1979	2+ units built >4/10/1979 or if rental began <1996	75% of reg. CPI	Y
West Hollywood ⁿ	6/27/1985	Multi-units built < 7/1/1979 & single-units occupied <1996 if built <7/1/1979.	75% of reg. CPI	Y

NOTES: All municipal rent control regimes in California are constrained by the Costa Hawkins Act from enacting controls on single-family, owner-occupied housing units and from controlling rents in buildings built after Feb 2nd, 1995. “Reg. CPI” refers to the regional CPI rate published by the federal Bureau of Labor Statistics.

^a SOURCES: City of Alameda Code of Ordinances - Chapter VI, Article XV.

^b SOURCES: Berkeley Municipal Code Title IX., Chapter 13.76.

^c SOURCES: Beverly Hills Municipal Code Chapter 5.

^d SOURCES: East Palo Alto Municipal Code Title 14, Chapter 14.04.

^e SOURCES: Hayward Municipal Code Chapter 12, Article 1.

^f SOURCES: Los Angeles Municipal Code Chapter 151.

^g SOURCES: Los Angeles County, California - Code of Ordinances - Title 8 - Division 3 - Chapter 8.52.

^h SOURCES: Los Gatos Municipal Code - Chapter 14, Article VIII.

ⁱ SOURCES: Oakland Municipal Code §8.22 et seq.

^j SOURCES: Palm Springs Municipal Code, Title 4 Rent, Chapter 4.02 Rent Control.

^k SOURCES: San Francisco Administrative Code, The Residential Rent Stabilization and Arbitration Ordinance, Chapter 37.

^l SOURCES: San José Municipal Code, Apartment Ordinance, Chapter 17.23.

^m SOURCES: Santa Monica Municipal Code, Article XVIII. Rent Control.

ⁿ SOURCES: West Hollywood Municipal Code, Title 17 - Rent Stabilization.

TABLE 2
Grounds for “Just-Cause” Eviction in Los Angeles

Reason	Type	Relocation Payments?	Deed Restrictions?
<i>Permanent</i>			
Failure to pay rent	At-Fault	No	No
Violation of the lease	At-Fault	No	No
Unreasonable interference of other tenants or property damage	At-Fault	No	No
Using the rental for an illegal purpose	At-Fault	No	No
Failure to renew a lease	At-Fault	No	No
Refusing the landlord access	At-Fault	No	No
Unapproved sublease	At-Fault	No	No
The landlord wants the unit for personal use	No-Fault	Yes	No
A live-in manger is going to use the unit	No-Fault	Yes	No
Removal of all units from rental use (Ellis Act)	No-Fault	Yes	No
The federal government is the landlord	No-Fault	Yes	No
A residential hotel is being converted	No-Fault	Yes	No
A legal agreement requires building housing accommodations	No-Fault	Yes	No
<i>Temporary</i>			
Refusal to temporarily relocate as required by the city	At-Fault	No	No
The tenants have been ordered to vacate by the city	No-Fault	Yes	No

SOURCE: Los Angeles Municipal Code Chapter 15, Section 151.09.(A)-(G).

TABLE 3
Los Angeles Relocation Payments for No-Fault Evictions: January 2000-May 2021

		Eligible Tenant ^a				Qualified Tenant ^b			
Start Date	End Date	Low Inc. Tenant	Tenancy Is...		Mom & Pop Prop. ^c	Low Inc. Tenant	Tenancy Is...		Mom & Pop Prop. ^c
			< 3 Years	≥3 Years			< 3 Years	≥3 Years	
6/22/1993	4/10/2007	3,300	3,300	3,300		8,200	8,200	8,200	
4/11/2007	6/30/2008	9,040	6,810	9,040		17,080	14,850	17,080	
7/1/2008	6/30/2009	9,300	7,000	9,300		17,600	15,300	17,600	
7/1/2009	6/30/2013	9,650	7,300	9,650	7,050	18,300	15,500	18,300	14,150
7/1/2013	6/30/2014	10,050	7,600	10,050	7,350	19,000	16,100	19,000	14,750
7/1/2014	6/30/2015	10,200	7,700	10,200	7,450	19,300	16,350	19,300	15,000
7/1/2015	6/30/2016	10,300	7,800	10,300	7,550	19,500	16,500	19,500	15,150
7/1/2016	6/30/2017	10,400	7,900	10,400	7,600	19,700	16,650	19,700	15,300
7/1/2017	6/30/2018	10,550	8,050	10,550	7,750	20,050	16,950	20,050	15,550
7/1/2018	6/30/2019	10,750	8,200	10,750	7,900	20,450	17,300	20,450	15,900
7/1/2019	6/30/2020	11,150	8,500	11,150	8,200	21,200	17,950	21,200	16,500
7/1/2020	6/30/2021	11,500	8,750	11,500	8,450	21,900	18,500	21,900	17,050

SOURCES: Housing & Community Investment Department of Los Angeles.

NOTE: Table 3 shows the mandated relocation payments given to tenants for Ellis Act evictions and all other no-fault evictions for Los Angeles tenants.

^a An “eligible” tenant is one who does not qualify for certain additional relocation payments reserved for protected populations, and thus receives the “default” amounts specified by their income, tenure in residence, and their landlord’s property holdings.

^b A “qualified” tenant is any tenant who is 1) 62 years of age or older; or 2) disabled as defined under California Health and Safety Code Section 50072; or 3) residing with one or more minor dependent children.

^c “Mom and Pop” landlords may own no more than four residential units and a single family house in the City of Los Angeles. Use of this provision is limited to once every three years.

TABLE 4
Grounds for “Just Cause” Eviction in San Francisco

Reason	Type	Relocation Payments?	Deed Restrictions? ^a
<i>Permanent</i>			
Nonpayment or habitual late payment on rent	At-Fault	No	No
Breach of lease	At-Fault	No	No
Nuisance or substantial damage to unit	At-Fault	No	No
Conducting illegal actions in unit ^b	At-Fault	No	No
Tenant refuses to quit after tenancy ends	At-Fault	No	No
Tenant refuses to grant landlord lawful access	At-Fault	No	No
Sole remaining tenant is unapproved subtenant	At-Fault	No	No
Owner repossession for primary residence (OMI)	No-Fault	Yes	Yes
Conversion of units to condominiums ^c	No-Fault	Yes	No
Removal of all units from rental use (Ellis Act)	No-Fault	Yes	Yes
Demolition of units	No-Fault	Yes	No
Substantial rehabilitation	No-Fault	Yes	No
“Good Samaritan” status has expired ^d	No-Fault	No	No
<i>Temporary</i>			
Lead abatement	No-Fault	Yes	No
Capital improvements	No-Fault	Yes	No

SOURCE: San Francisco Administrative Code Chapter 37, Section 9(a)(1)-9(a)(16).

NOTE: Table 4 enumerates the reasons a landlord may reclaim a rent-controlled unit. The “At-Fault” evictions refer to the seven ways a tenant may be evicted for breaching the rental contract in some fashion, and “No-Fault” refers to the eight ways a tenant may be evicted even if not in breach of the lease.

^a These include restrictions on how long the landlord must wait before being able to return the units to market, or if the unit is demolished, how long the parcel will remain under the rent ordinance before its provisions are lifted. These range from 3 years for an OMI to 10 years for an Ellis Act eviction.

^b If the tenant is convicted of a crime, the notice to quit is unconditional.

^c Conversion of rental units to condominiums was previously possible via a permit lottery but was suspended in 2013. However, the city only permitted a handful of these per year prior to its formal suspension. As of this writing (May 2021), the lottery has been formally suspended until at least 2024.

^d “Good Samaritan” status is temporary housing for tenants fleeing a natural disaster.

TABLE 5
Policy Changes Regulating Evictions in San Francisco: July 2003-December 2013

Description	Start Date	End Date
<u>General Eviction Rules</u>		
Landlords who wish to terminate that tenancy are no longer required to give 60 days notice, only 30-days notice, for tenants who have resided in the premises for one year or more.	1/1/2006	
Owners of properties with two or more residential units must disclose to any prospective purchaser the legal grounds for terminating the tenancy of each unit vacant at the close of escrow and whether the unit was occupied by an elderly or disabled tenant at the time the tenancy was terminated.	6/6/2006	
Reinstated the prior requirement of a 60 day notice to terminate a tenancy without a tenant fault good cause for any tenant or resident residing in the unit for a year or more.	1/1/2007	12/31/2009
A tenant who has resided in the unit for at least one year, and has a child under the age of 18 who also resides in the unit, may not be evicted during the school year for an OMI eviction.	3/14/2010	
Tenant may not be evicted for violation of a unilaterally imposed change in the terms of a tenancy unless the tenant previously accepted it in or the newly imposed term is authorized by the Rent Ordinance.	12/14/2011	2/1/2012
Allows a landlord to evict a tenant for violation of a unilaterally imposed change in terms where the change is required by law	2/1/2012	
Condo conversion evictions are suspended	8/1/2012	
<u>Ellis Act</u>		
Landlords must state in Ellis Act eviction notices that tenants have the right to relocation payments and the amount which the landlord believes to be due.	7/25/2005	1/30/2006
Landlords are no longer required to state the amount of relocation payment the landlord believes to be due to the tenant	1/31/2006	
<u>Owner Move-In</u>		
Landlords seeking to challenge a tenants' protected status for an OMI eviction have to file a petition rather than seeking a court order.	2006	

SOURCE: The Rent Board of the City and County of San Francisco.

TABLE 6
Relocation Payments for No-Fault Evictions: February 2000-May 2021

		Ellis Act				Other No-Fault ^a		
Start Date	End Date	Low Inc. Tenant	General Tenant	Max Payment	Special Surcharge ^b	General Tenant	Max Payment	Special Surcharge ^b
2/13/2000	8/9/2004	4,500	0	0	3,000	1,000	0	0
8/10/2004	4/24/2005	4,500	4,500	13,500	3,000	1,000	0	0
4/25/2005	5/25/2005	4,500	0	0	3,000	1,000	0	0
5/26/2005	2/28/2006	4,503	4,503	13,510	3,047	1,000	0	0
3/1/2006	8/9/2006	4,503	4,503	13,510	3,047	1,000	0	0
8/10/2006	2/28/2007	4,503	4,503	13,510	3,047	4,500	13,500	3,000
3/1/2007	2/28/2009	4,572	4,572	13,716	3,048	4,568	13,705	3,046
3/1/2009	2/28/2010	4,945	4,945	14,836	3,297	4,941	14,825	3,295
3/1/2010	2/28/2011	5,105	5,105	15,316	3,403	5,101	15,304	3,401
3/1/2011	2/29/2012	5,105	5,105	15,316	3,403	5,101	15,304	3,401
3/1/2012	2/28/2013	5,175	5,175	15,472	3,438	5,153	15,460	3,436
3/1/2013	2/28/2014	5,211	5,211	15,633	3,474	5,207	15,621	3,472

SOURCES: The Rent Board of the City and County of San Francisco.

NOTES: Table 6 shows the mandated relocation payments given to tenants for Ellis Act evictions and all other no-fault evictions. “Low Income Tenant” is the payment originally only given to poor tenants before August 2004 for Ellis Act evictions before being extended to all tenants. “General Tenant” is the relocation payment that was given to any controlled tenant. All amounts are in nominal U.S. dollars. From March 2006 onwards, payments were adjusted each March (at the discretion of the Rent Board) using the Consumer Price Index calculated for the San Francisco-Oakland-San Jose Combined Statistical Area.

^a “Other No-Fault” includes OMI, demolitions, temporary capital improvement work, or substantial rehabilitation.

^b “Special Surcharge” refers to the extra relocation payment the landlord pays if one of the evicted tenants is a minor, an elderly adult aged 60+, or who is disabled within the meaning of §12955.3 of the California Government Code.