

Dan Walters: Rent wars erupting in 2 cities

By Dan Walters

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Forty-eight years ago, tens of thousands of what were dubbed “hippies” descended on the Haight-Ashbury neighborhood of San Francisco for a “summer of love.”

But that was then, and this is now.

Sen. Mark Leno, D-San Francisco, has been pushing Ellis Act revisions to slow evictions, but his Senate Bill 364 was rejected in its first committee vote. Rich Pedroncelli AP

The Haight has become a trendy, gentrified neighborhood, like many in the city, and a front in a sociopolitical war over soaring housing costs.

The San Francisco Bay Area and Los Angeles are two of the country’s tightest housing markets, driving rents and home prices through the roof.

The situation’s most wrenching aspects are wholesale evictions of low- and moderate-income renters from apartments, some on flimsy pretexts of minor lease violations, so that new owners can charge much higher rents to more affluent tenants or convert units into high-priced condos.

Political and legal wars have erupted in both regions, and pressure is building on local officials to step in with tighter anti-eviction laws and on the Legislature to modify the Ellis Act, a three-decade-old state law that allows landlords to evict tenants to demolish units or convert them into condos.

The rent wars have already claimed one political casualty, Los Angeles developer Matthew Jacobs, who also is chairman of the California Housing Finance Agency, which supports low- and moderate-income housing.

When Jacobs’ company told tenants of an apartment complex in the Beverly Grove neighborhood that they would be evicted under the Ellis Act so the property could be redeveloped into upscale residences, consumer groups demanded that he leave his state position. Jacobs soon announced that he would step down in September.

However, liberal San Francisco is seeing the bitterest political infighting as its Board of Supervisors (City Council) is pressed by tenant rights groups to crack down on “gotcha” evictions involving minor lease violations.

Small landlords said the proposed ordinance making it more difficult to evict tenants for cause could backfire, creating slumlike conditions and/or compelling them to sell out to large real estate corporations.

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San Francisco is also the site of one of the most emotional landlord-tenant conflicts, involving a 104-unit Fillmore district apartment complex that was specifically constructed 50-plus years ago, sponsored by Third Baptist Church, for low-income residents.

Fredrick Douglass Haynes Gardens, named for a former pastor of the predominantly black church, is controlled by a nonprofit organization set up by the church.



But in recent months, the church and the landlord organization have feuded over control, and in July, the landlord listed the complex for sale, which would mean certain eviction for residents.

The listing agent told would-be buyers that its units, now rented for just hundreds of dollars a month to low-income residents, could bring a new owner \$3,000 to \$7,000 a month.

A lawsuit has been filed to block the sale, and local notables, such as former Mayor Willie Brown, have stepped up to protect low-income tenants.

The potential rents cited by the broker, however, are a telling hint of just how superheated the city's housing market has become.