

JULY 2014

STOP EVICTION AND DISPLACEMENT IN SAN FRANCISCO

Let's Pass the Anti-Speculation Tax on the November Ballot to Take the Profit Out of Real Estate Speculation

In November San Franciscans will have the opportunity to scale back the real estate speculation in apartments that is driving up rents and evictions across the city.

San Francisco has an Affordability Crisis

- San Francisco's rental housing market is the most expensive in the country. Our city has the fastest growing gap between the rich and the poor.

"Flipping" is Fueling the Crisis

- Real estate speculation—especially the practice of "flipping" apartment buildings, i.e., buying them, emptying them of tenants by means of harassment, buyouts or ultimately use of the Ellis Act—is fueling San Francisco's affordable housing crisis.
- "Flipping" is part of investors' strategy of using the Ellis Act to get rid of rent-controlled tenants (often seniors and people with disabilities) and take those apartments off the market: 60% of Ellis Act evictions in 2013 were issued by property owners who had owned for less than 1 year (duplicates excluded), and 79% of Ellis Act evictions were issued by those who had owned for less than 5 years (duplicates excluded).

A Community Response

In February over six hundred tenants and community members joined together at San Francisco's Citywide Tenants Convention and voted the "speculators tax" as their top priority. That proposal has now been introduced as a measure for the November ballot. It would do the following:

1. Impose a steep surtax on the re-sale of apartments if a property is bought and sold in less than five years—in addition to the existing real estate transfer tax. Apartments bought and sold in less than a year would be taxed at 24% of the sales price. The rate would be decreased each year to 14% in the final year.

2. The surtax covers only apartments. *It does not apply to single family homes, condominiums, or owner occupied tenancies in common.* It focuses on buildings less than 30 units, the buildings where most no-fault evictions are occurring. It targets speculators and not homeowners. Nor does it apply to true landlords who invest in our community for more than five years. Standard exemptions from the real estate transfer tax (for gifts, divorce, and death) also apply.

3. The policy encourages the construction of new housing and the preservation and creation of affordable housing. The surtax does not apply to new construction or to housing that will be maintained as affordable housing to moderate or low income people for a minimum of fifteen years.

*The Anti-speculation Tax will make speculation less profitable and attractive
and will help stop the evictions plaguing our city!*

Supported by: Housing Rights Committee, Tenants Together, People Organized to Win Employment Rights, Jobs with Justice, Bill Sorro Housing Program, Causa Justa::Just Cause, Chinatown Community Development Center, Eviction Free SF, South of Market Community Action Network, Senior & Disability Action, and many more