

Rent guidelines out of RAP?

By Carol Kroot

The state legislature last week passed a bill which contains a provision that some San Franciscans fear may stymie the City's Rehabilitation Assistance Program (RAP).

The bill enables the City to borrow and lend money for the purpose of helping certain neighborhoods bring their housing up to code.

But a section inserted at the last minute at the insistence of the California Real Estate Association, could weaken the City's ability to apply rent guidelines to buildings receiving RAP loans.

The section says local agencies may devise rent controls to prevent precipitous rent hikes. However, the guidelines would "apply only to structures which contain 12 or more dwelling units after rehabilitation and to structures for which loans exceeding five thousand dollars (\$5,000) per dwelling unit have been extended pursuant to this part."

Alfred Goldberg, San Francisco's Superintendent of Building Inspections, said that according to City in-

terpretation, rent guidelines can be placed on structures under 12 units as well. "Since I administer it," said Goldberg, "I will proceed accordingly."

Goldberg said he had the City Attorney's verbal opinion that the law does not exclude dwellings with fewer than 12 units. And if the City is taken to court over this issue and loses, said Goldberg, the City will go back to Sacramento to request an amendment to the legislation.

However, Calvin Welch of the Haight-Ashbury Neighborhood Council and the City's Fair Housing Planning Committee, said that San Francisco should test the provision in court before instituting the RAP program. "Until the City takes it to court, I'm going to reserve my judgment and support for this," he said.

Welch noted that very few of the structures in that part of the Haight slated for RAP have 12 units or more. He added that estimates for rehabilitation costs average far below the \$5,000 per unit mark.

RAP was authorized by the City's

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RAP's rent guidelines in trouble?

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Board of Supervisors last June in response to fund cuts in Federally Assisted Code Enforcement (FACE), and rehabilitation needs in certain neighborhoods, including the Haight-Ashbury.

Under the program, the Bank of America would lend the City \$20 million at a low rate of interest and the City would in turn lend that money below market rate to homeowners for housing rehabilitation.

To prevent unreasonable rent hikes and resulting tenant dislocations, the Board called for rent guidelines in the program.

The California Real Estate Association got wind of this, said a City employee who asked to remain anonymous, and so at the last minute threw its own rent control section in the state's legislation.

There was no way to get the section out, said another City Hall staff member, and still have the enabling act pass the legislature.