MAY 2024



The Advocate for Berkeley's Rental Housing Providers

Founded 1980 • Charter Member, California Rental Housing Association 2041 Bancroft Way, Suite 203, Berkeley, CA • www.bpoa.org

Daniel Lieberman

Dan Lieberman, President, BPOA

In their zeal to make new laws, many of our legislators are undermining their own stated goals. I guess law makers don't feel like they are doing their job unless they make new laws. The problem is, most of these new laws are not only unnecessary, in many cases they are counter-productive.

What the smaller rental property owner needs are 1) consistency of laws so that owners know what they are doing. When things change every year, only companies that have the means to track all this change can stay on top of everything. And 2) they need to not have egregious penalties unless someone is deliberately trying to circumvent the law.

For example, if you want to make it easier for people to get housing, then by making it harder to evict when the occasional 'mistake' is made, you slow down the process. Why would a housing provider 'take a chance' on somebody with borderline qualifications (recent job, lower-income, credit-challenged tenant), if they are unable to get rid of them should things go wrong? All this does is cause housing providers to raise credit standards and to make sure they 'check all the boxes', which then eliminates opportunity for the marginal, but potentially worthy, applicant.

The same applies to the new law to reduce security deposits to no more than one month's rent. While I understand that in many cases, it is hard for a potential resident to come up with more money, it makes housing providers more cautious about bringing in the exact people these legislators are trying to help. Where this policy has occurred in other areas, some owners have responded by increasing rents to help offset the potential risks or by becoming stricter in their screening criteria.

Of course, we know that in many cases, strict rent controls also have had negative consequences for the very people the legislators are trying to protect. While it may protect those who already rent, it drives up the cost for people looking to find a new place to live. Turnover is lower and units do not become available because existing residents don't want to give up their 'good deal'. Rent control limits owners' incentives to upgrade their properties, or in some cases, even to maintain the housing stock. Long term, it causes a decrease in the overall supply of quality, affordable housing. But what is the legislative solution when these policies aren't working? Make them stricter!

continued on page 13

COMING ATTRACTIONS

Mid-Morning Nosh, Network & Education Saturday, May 18, 10:00 am

> Legal Overview with an Attorney Thursday, May 23, 3:00 pm

> Create Rental Listings Like a Pro! Wednesday, June 12, 3:00 pm

New Member Social Mixer & Open House Wednesday, June 12, 4:00-7:00 pm

See pages 13 & 14 for details & more events!

Issue Highlights

-	,
Editorial	Page 2
Coalition Corner	Page 3
More on Potential Pet Law	Page 4
SCOTUS Rules Against Exorbitant Impact Fees	Page 5
Experts on Why Rent Control Doesn't Work	Page 7
The Nuts & Bolts	Page 8
BRHC Submits Ballot Initiative Signatures	Page 9
CalRHA Legislative Update	.Page 11
$Report: New\ Insights\ on\ Small\ MF\ Properties\$.Page 12
Monthly Event Calendar	.Page 13
BPOA Event Details	.Page 14
Landlording with Mark	.Page 14



BPOA Monthly is a regular publication of the Berkeley Property Owners Association, a trade association dedicated to assisting rental housing providers with upkeep and management of residential rental property and coping with Berkeley's rent law.

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About the Newsletter

Our articles are contributed on a volunteer basis by members and other interested parties, although we do accept paid advertising. We are always happy to include material submitted by members and welcome suggestions on how to improve our publication.

All articles in this publication represent the author's viewpoint and not necessarily the position of our organization.

Direct comments and material to our Bancroft Way office or to bpoa@bpoa.org

Editorial

The Paradox of Backfiring Policies

Albert Sukoff, Editor

I have said for years that significant additions to the Berkeley rental housing stock over the last decade have had only a minimum effect on the owners of smaller, older properties, i.e. BPOA members. For one thing, through the midteens there were not all that many units added to supply. Also, virtually all of these new units were expensive and served mainly UC affiliates. I joked that they catered mainly to the daughters of well-off Beverly Hill psychiatrists for whom new, nice and safe were more important than price. This I thought to be a limited market.

Of course, any addition to supply with constant demand should lower prices somewhat. I concluded, however, that while there was some added demand — UC keeps growing after all — that supply was only minimally enhanced. I thought that, even with a couple thousand added units, the new stock was essentially a separate market from the older housing that we own and that the force for change in rent levels was minimal. Now, however, I think things have changed. An article in Berkeleyside last year put the number of added units in Berkeley from 2015 to 2022 at 4,631. (This significantly exceeded the state mandate for Berkeley of 2,959 units.) The number for 2023 was reported to be 431, which is down from 887 in 2022. Nevertheless, over 5,000 new units have been added in Berkeley since 2015.

Higher interest rates and slow absorption of new units may slow the process but the addition of more units in medium rise buildings in Berkeley is virtually certain. Publicly announced are close to 1,000 more units in the pipeline. Furthermore, the state mandate for new units in Berkeley over the next eight years calls for an additional 9,000 units. Recent and near-future increases to the Berkeley stock of rental housing could total 15,000 units. Compared to an existing stock of older units of about 25,000, this is a significant and impactful difference. Also, in addition to all of these new units, Cal has plans for significant additions to the housing it provides.

A just-finished apartment building is a building with a 100% vacancy rate. Renting up such a vacant building is problematic; doing so with several others coming on board simultaneously makes it even more so. This is the situation in Berkeley right now. As a result, these new-to-the-market buildings are renting for less than anticipated and they are offering incentives to attract tenants. One, even two months free rent to sign up is not unheard of.

The current situation merges the two markets at the cusp. With competition from the new buildings, rents in older Berkeley properties will not recover from the Covid drop as quickly as they otherwise might. This slow recovery has more of an impact on the rent at older properties because they are subject to rent control. The new buildings can recuperate from lower-than-expected rents at the end of each lease, even if the tenants do not move. The base rent in a controlled unit, however, is fixed for the duration of a newly-established tenancy. Rents in Berkeley are not likely to increase much in the next few years. Much of this phenomenon is attributable to additions to the housing stock. And as things stand, more new housing is likely. State mandates and incentives, local development policies and market potential all point in this direction.

continued on page 16

❖ The Coalition Corner ❖

Krista Gulbransen, BRHC Executive Director

The Berkeley Rental Housing Coalition (BRHC) is the political and legal voice of Berkeley's rental housing providers.

Annual Rent Registration Fee

We come bearing bad news. In a time where rental housing feels in turmoil and where challenges loom large, the Rent Board is taking another jab at owners by implementing a rental registration fee increase. Fully covered units will see an 18% increase with fees jumping to \$344 per unit and partially covered units a 22% increase for a fee of \$212.

You're probably asking yourself why the Rent Board would need an almost \$7.3m budget up from their \$6.3m budget in the previous year? To start, they have just moved into some new, very upgraded digs claiming they "need" 10,258 square feet of space. We figure that handles at least 33 employees (up 10 employees from their standard total number). There will be a 53% increase in cost to rent the new space as compared to their previous space and it was expected to cost approximately \$500,000 to move. (To note, the BPOA and BRHC recently moved offices and it cost us \$600 plus tip).

We wondered what rent registration fees were for other cities like Berkeley where there is both a local rent ordinance and a local rent board? See for yourself:

CITY	REG FEE	TOTAL UNITS
Berkeley	\$343	26,000
Oakland	\$101	98,218
Richmond	\$220	17,609
San Francisco	\$59	254,552
Santa Monica	\$228	32,496

In 2012, the Alameda County Grand Jury issued a highly critical report on Berkeley's Rent Stabilization Board. The report found that the Berkeley Rent Stabilization Board is a "self-sustaining bureaucracy that operates without effective oversight and accountability." A portion of the report was devoted to high level of rent registration fees in comparison to other jurisdictions.

The report made the following recommendations:

- The Berkeley Rent Stabilization Board must reduce the high rental unit registration fees.
- The Berkeley Rent Stabilization Board must allow landlords to pass through a larger proportion of the registration fee to tenants.

- The Berkeley Rent Stabilization Board must ask the city of Berkeley Human
- Resources Department for a thorough position-control audit to evaluate the number of staff, the classifications and workload.
- The Berkeley Rent Stabilization Board must ask the city Human Resources department to provide more comprehensive salary comparisons regularly and use them in setting salaries and benefits, including those of the executive director and the board members.
- The Berkeley Rent Stabilization Board must conduct annual performance reviews of the executive director to provide more effective oversight.

While the Rent Board has established some policies around evaluating staff and classifying positions they are hiring for, they have made no further progress on the report's recommendations. In fact, they blatantly ignored the first two recommendations regarding the reduction of registration fees and allowing rental housing providers to pass through a portion of that fee.

If you are a Berkeley voter and you are fed up with the Rent Board's financial oversight, contact the City's Auditor. The City Auditor is an elected official tasked with independently assessing the City's funded programs, services, and operations. For almost three years, she has had an audit of the Rent Board on her list of anticipated projects. Now is the time to put the pressure on her to conduct the Audit and respond to her constituents. Remind her that in the 44-year history of the Rent Board, it has never had an outside Audit. Jenny Wong can be contacted at auditor@berkeleyca.gov or 510-981-6750.

The Rent Board's online portal is open and ready to accept payment of your rent registration fee. You must pay by no later than July 1 to avoid a 100% penalty.

This report is brought to you by the Berkeley Rental Housing Coalition. This enhanced membership assures us that we can fund these important political efforts that protect one of your most important assets. To learn more about upgrading your membership from BPOA to BRHC membership, contact Krista Gulbransen, krista@bpoa.org.

Terry Chea and Janie Har, Associated Press

California pet owners struggling to find a rental that accepts their furry, four-legged family members could have an easier time leasing new housing under proposed state legislation that would ban blanket no-pets policies and prohibit landlords from charging additional fees for common companions like cats and dogs.

Backers of the bill, which recently cleared a key committee, say the lack of pet-friendly units is pushing renters to forgo housing or relinquish beloved pets to overcrowded shelters. They say the legislation also would allow more tenants with unapproved pets to come out of the shadows.

Sacramento renter Andrea Amavisca said she and her partner searched for more than a month for a place that would accept their two-year-old cattle dog mix. Options were few and prospective landlords would not return her calls after learning the couple had a dog.

They finally found a two-bedroom apartment after meeting with the landlord and putting down an extra \$500 for the security deposit.

But landlords are pushing back, saying they're worried over the cost of repairs, liability over potential dog bites and nuisance issues that might drive away other tenants. They also want state lawmakers to allow higher security deposits — which legislators limited to one month's rent last year — to scrub out possible urine and feces stains in carpets or repair damage to wood floors.

"There are bad people and there are bad dogs, and our job is to screen that and make sure that we're providing a safe environment for everyone," said Russell Lowery, executive director of the California Rental Housing Association.

The proposal authored by Assemblymember Matt Haney, a San Francisco Democrat and chair of the renters' caucus, would not require all landlords to accept common household pets, such as cats and dogs.

But landlords would have to provide reasonable justifications, such as public health, for denying a pet. A landlord could not inquire of pets until after approving an applicant, and applicants would have to notify the landlord that they have a pet or plan to get one at least three days prior to signing a lease. Should the landlord deny the pet, the applicant would then decide whether to seek housing elsewhere.

The landlord also could not require additional rent or security deposit for a pet. The bill, if approved, would apply to new leases starting on or after Jan. 1.

Ivan Blackshear already rents to tenants with cats at his triplex in Chico, a small city north of Sacramento. But he says the question of pets and deposits should be left to the property owner and any agreement they reach with

continued on next page

Irwin the Kangaroo and His Owner Leave Broken Arrow

Tulsa Channel 6, January 11, 2012

A Broken Arrow (Oklahoma) woman and her therapy pet kangaroo are moving to McAlester, at least temporarily.

Irwin the kangaroo became the center of controversy in 2011 which resulted in the Broken Arrow city council revising its exotic animal ordinance.

The revisions allowed the partially disabled kangaroo owned by Christie Carr to stay in the city limits.

Under the ordinance, Carr had to obtain a permit requiring her to have a \$50,000 insurance policy for any injuries inflicted by the animal, certification that the animal has adequate housing for its health and to meet all federal and state guidelines for licensing. In April 2011, an anonymous donor paid the liability insurance for Irwin.

Broken Arrow city officials say Carr has not filed the necessary paperwork as required by the ordinance.

"If she did not fill out the paperwork, we are going to have to take Irwin away from her," said Stephanie Higgins, City of Broken Arrow Spokesperson.

She tells News On 6 she and Irwin are moving to McAlester until she can get all the paperwork filed and approved.

"I talked to McAlester animal control and they were very nice," Carr said.

The bottom line: the City says just fill out the paperwork for an exception to the animal ordinance.

"I do not see the city council denying this application," Higgins said.

Carr says she doesn't trust the city. She'll fill out the forms, but until the process is completed, she and Irwin are leaving town.

The process should take about 30 days.

Ultimately, the City Council would be the final authority, and if they approve, Irwin would be legal and welcome in his old neighborhood.

Supreme Court Unanimously Rules Against Exorbitant Impact Fees

Kenneth Schrupp, the Center Square, April 12, 2024

"Today's ruling is a major

victory for property rights,

and a step in the right

direction toward removing

barriers to housing,"

The United States Supreme Court unanimously ruled against exorbitant government fees in a case that centered on one California retiree forced to pay a flat-rate \$23,000 "traffic impact fee" for the construction of a single small home to raise his grandson in.

This ruling combined earlier rulings on government permitting fees, which must both have "essential nexus"

— related to the government interest from having the fee — and be "roughly proportional" to the impact from the action the fee is targeting, with the addition that fees created by legislatures are not exempt from these requirements.

"Today's ruling is a major victory for property rights, and a step in the right direction toward removing barriers to housing," said Brian Hodges, senior

attorney at Pacific Legal Foundation, which served as co-counsel on the case. "We are thrilled with the Supreme Court's decision and will continue fighting to protect property rights and make the process for building new homes more fair."

In California, because local governments tend to exhaust their property tax revenues on ongoing expenses, they use development fees to fund new projects. With flat-rate single family home development impact fees costing **up** to \$157,000, it's possible for an impact fee to cost more than construction.

Despite sky-high demand for housing and a 4.5 million home shortage in California, housing production is plummeting, with housing permits down 45% in 2023 compared to 2022 due to higher interest rates. By opening up exorbitant development fees to lawsuits, this ruling could help spur more housing construction in the long-term by making it more affordable to build.

California's Supreme Court had ruled in favor of El Dorado County, which levied the fee on the basis that the fee was created through the legislature, not a bureaucratic action, and thus was exempt from the nexus and proportionality doctrines. The U.S. Supreme Court vacated that ruling and remanded it back to the state court to decide whether or not the \$23,000 fee is constitutional under the new framework clarifying

legislature-created fees are still subject to the tests.

In a separate opinion Justice Brett Kavanaugh clarified that this ruling "does not address or prohibit the common government practice of imposing permit conditions, such as impact fees, on new developments through reasonable formulas or schedules that assess the impact of classes of development rather than the impact of specific parcels of property."

from previous page

Proposed Legislation Possible Win for Pet Owners

their tenants. It should not, he said, be mandated by politicians trying to curry favor with voters.

"Chasing mom and pop landlords like myself — small investors like myself — out of California is not going to solve the high price of rent; it actually is going to make it worse," said Blackshear, who once had to replace the wood flooring in a rental due to a tenant with a cat.

Assemblymember Isaac Bryan, a Democrat who represents parts of Los Angeles, said he and his fiancée, an attorney, were shut out of renting several places just because of Darius, their well-behaved Great Dane.

"Darius is the sweetest dog," said Bryan, who is vice chair of the legislative renters' caucus. "And so it was shocking, and it showed that this simple barrier of having a companion animal could lead directly to housing insecurity and homelessness, if not addressed."

Animal welfare groups are among those supporting the bill. Ann Dunn, director of Oakland Animal Services, says the number of people giving up their pets has soared since the city of Oakland's eviction moratorium ended last summer. In 2022, the shelter averaged nearly 240 dogs relinquished each month; now it is 350 a month.

"We're seeing a huge spike in people who are saying they are newly homeless," she said. "Or they're choosing between being housed or being able to keep their pets."

The bill is headed to the Assembly for a floor vote. If it passes, it would then go to the Senate for consideration.

Economists and Housing Experts Say Rent Control Doesn't Work

- Reduces Housing Supply. While the Intent of Rent Control May Be to Make Housing More Available, Economic Studies Indicate it Discourages Investors from Constructing, Rehabilitating, and Converting Housing Into Rental Residences. Some Owners May Be Forced to Sell Their Properties Due to Rising Costs, Further Depressing Supply.
- 2. Causes More Harm Than Good. According to the Manhattan Institute's Rent Control Does Not Make Housing More Affordable, regulating rent is not a solution to poverty, inequality, or segregation. Instead, it harms disadvantaged groups and acts to restrict the supply of housing by transferring wealth to current tenants at the expense of future tenants. Also, "Many of rent control's benefits typically flow to higher-income households even as rent control drives up rents for everyone else."
- 3. Translates into State and Local Revenue Loss. The Legislative Analyst estimates that the 2024 rent control initiative (22-0008) could result in a loss in the "high tens of millions of dollars per year" due to lower property tax collection from declining rental housing values. Rent caps reduce rental income, which also lowers personal income and business taxes paid to the State.
- 4. Provides Less Funding for Necessary Public Services. Lower State and local revenues mean less funding for critical public services, such as health care, education, public safety, and transportation. Services provided by local governments would be hit hardest because the largest revenue impact will be on property taxes, which are paid to local governments.
- 5. Undermines State Housing Polices. Rent control initiatives, like the one submitted in December of 2022, either limit or outright bar the State from enacting laws that affect local rent control. The end result would be a hand-off of cohesive statewide housing policies to a patchwork of 539 local rent boards to do as they please WITHOUT a vote of the people.

Economists & Housing Experts Speak Out on Rent Control

"Rent control appears to help affordability in the short run for current tenants, but in the long-run decreases affordability, fuels gentrification, and creates negative externalities on the surrounding neighborhood. These results highlight that forcing landlords to provide insurance to tenants against rent increases can ultimately be counterproductive. If society desires to provide social insurance against rent increases, it may be less distortionary to offer this subsidy in the form of a government subsidy or tax credit."

Rebecca Diamond, Professor of Economics, Stanford University

Several empirical studies have found that rent control has not been successful at targeting benefits to lower-income residents or families (*Pastor, Carter, and Abood 2018; Sturtevant 2018.*) "Rent control and rent stabilization policies do a poor job at targeting benefits. While some low-income families do benefit from rent control, so, too, do higher-income households. There are more efficient and effective ways to provide assistance to lower-income individuals and families who have trouble finding housing they can afford."

 Dr. Lisa Sturtevant, Economist, former Director of Center for Housing Policy

"[I]n every country examined, the introduction and continuance of rent control/restriction/regulation has done much more harm than good in rental housing markets — let alone the economy at large — by perpetuating shortages, encouraging immobility, swamping consumer preferences, fostering dilapidation of housing stocks and eroding production incentives, distorting land-use patterns and the allocation of scarce resources — and all in the name of the distributive justice it has manifestly failed to achieve."

 Milton Friedman, Economist and Nobel Laureate, author et al. of Verdict on Rent Control

"[R]ental assistance lowers the likelihood that a tenant defaults in the first place, as opposed to making it harder to evict them once they have already defaulted. My estimates also suggest that rental assistance more than pays for itself: the drop in homelessness translates to large savings on homeless services which outweigh the cost of subsidizing rent."

— Dr. Boaz Abramson, Professor of Finance, Columbia Univ. Sources: 1. LAO Fiscal Estimate of Proposed Initiative No. 22-0008; 2. "Modeling the Impact of Rent Growth Caps on Metropolitan Apartment Markets" Capital Policy Analytics for the National Apartment Association, April 2019; 3. weareapartments.org; 4. "The High Cost of Rent Control" National Multifamily Housing Council; 5. "Rent Control Does Not Make Housing More Affordable", Manhattan Institute.

Berkeley Named the Healthiest Place to Live in the U.S.

Dobrina Zhekova, Travel + Leisure, April 12, 2024

Where you live can significantly impact your well-being — both physical and mental, as it can affect access to quality healthcare, sports facilities, outdoor recreation, and nutritious food. And while states like Hawaii and Massachusetts have recently been ranked as the healthiest in the nation when it comes to specific destinations, you may want to consider moving to Northern California. More specifically, Berkeley. According to a Niche.com report on the healthiest cities in the country in 2024, Berkeley ranked first with an overall grade of A+.

"Our healthiest places to live rankings consider various factors from multiple sources, with physical inactivity and obesity being the primary ones, both of which are sourced from the CDC," Aaron Miller, senior manager of data products and solutions at Niche.com, told Travel + Leisure. "Berkeley, California, excelled in each and ranks in the top 20 nationally for outdoor activities. It also boasts excellent access to healthcare."

In Berkeley, home to about 120,000 residents, only 15.4 percent of adults reported physical inactivity, much lower than the national average of 25.3 percent and California's 21.2 percent. Obesity and smoking levels show the same pattern — the former standing at 24.4 and the latter at 8.2 percent. And only about 3.4 percent of Berkley residents aged under

64 were uninsured. The city is also home to Alta Bates Summit Medical Center, which was recently recognized as one of the best for patient safety excellence nationally.

Berkeley also scored perfect grades in the weather and outdoor activities categories in Niche.com's report and was seventh in the ranking of the best cities for young professionals. As the home of the University of California, the city has a substantial student population as well as thriving cultural and sports scenes. With over 50 city parks that provide access to facilities such as outdoor gyms, tennis and basketball courts, and biking and hiking trails, residents have plenty of opportunities to stay active year-round. Plus, with eight national parks and recreational areas in its vicinity, the city is a true haven for outdoor enthusiasts.

However, living in Berkeley isn't cheap. The median home value is \$1,405,581, according to Zillow, and the overall cost of living is 95.5 percent more than the national average. Six California communities made it to the top ten healthiest cities in the country, with Irvine, Orange County, and San Francisco ranking second and third.

Only one East Coast city, Cambridge in Massachusetts, managed to sneak into the top ten and ranked fifth.

See the complete list at niche.com



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The Nuts & Bolts

Tiffany Van Buren, BPOA Deputy Director

The Rental Housing Safety Program: Are you in Compliance?

The Rental Housing Safety Program is a crucial aspect of property management in Berkeley. This program mandates that all rental units, regardless of size, undergo inspection by July 1st of each year to ensure compliance with a list of minimum safety standards and pay an annual per-unit or per-room fee.

The annual RHSP is a self-certification inspection utilizing a two-page checklist provided by the Rental Housing Safety Program/Housing & Code Enforcement Department. The housing safety standards listed are set by the California Building Standards Code and broken down into sections:

- Door locks
- Smoke detectors
- · Carbon monoxide alarms & detectors
- · Heating and water heaters
- · Ventilation/windows
- Appliances
- Electrical wiring
- Plumbing
- Fire Extinguisher (3 or more units only)
- Weather protection
- Handrail & guardrail condition
- · Interior stairway condition
- · Elevated decks, balconies, stairways, or walkways
- Walkways and pathways
- Floors & trip hazards
- · Electrical Panels with screw-in fuses

The first step to the RHSP is not to let it intimidate you. It's been designed as a self-certification inspection, a straightforward process that you can even conduct virtually with the assistance of your tenant (though we don't recommend it). So, there's no need to feel compelled to hire a contractor. Familiarize yourself with what they request you to confirm before entering the first unit/ room. Guidance is provided on the last two pages of the RHSP document, which you'll find on our website in Content Library > Rental Housing Forms > Other Important Forms & Information. We also have a Notice of Intent to Enter Dwelling Unit form specific for RHSP inspections. Gather the supplies that will help you conduct the inspection efficiently: a notepad, a pen, a stepstool, a dowel for those hard-to-reach smoke alarms, a rag, and a camera. I bring one copy of the checklist for each property I plan to inspect that day, take additional notes and photos, and then return

to the office to prepare the "official" copies, sending one to the tenant and keeping the other for my files.

Let's discuss a couple of "What if...?" scenarios.

- **1.** What if your tenant refuses to give you access to the unit on the day of the inspection?
- Did they forget? Don't overreact; politely explain the inspection is mandatory for all rental housing providers in Berkeley, and they'll receive another notice when you've rescheduled.
- Are they barring access completely? Tell them that's fine, but because the inspection is mandatory, you'll have to submit the RHSP to the City, and a City Housing Inspector will conduct the inspection.
- Absolutely cannot get in? Remit a copy of the checklist to the RHSP, certifying you could not inspect the unit because the tenant refused to allow entry.
- **2.** What if I find things on the checklist that don't pass inspection?
- · Do not mark the item as passed
- Be transparent with your tenant
- · Arrange for repairs
- · Conduct a reinspection
- Provide a copy of the final inspection checklist to your tenant
- **3.** What if I miss the July 1st due date?
- Get it done ASAP! If the Rental Housing Safety Inspection mails you a notice of Proactive (or Reactive) inspection, the first thing they're going to want to see is a copy of the most recent RHSP. Failure to provide the form will result in a \$200 fine.
- **4.** What if I absolutely do not want to conduct the inspection myself or pay someone else to do it?
- Owners may request that the City conduct the inspection. However, if they cannot, the owner must still self-certify.

Though the RHSP is not an exhaustive building code inspection, it's an excellent opportunity to inspect your rental units to ensure they are in good order and that there are no "surprises," such as unreported leaks, mold, wobbly toilets, missing smoke and CO detectors, and unsanitary conditions. By signing a lease, your tenants have agreed to keep the premises clean, orderly, well-ventilated, sanitary, and in good condition and repair. Conducting the self-certification RHSP allows you to confirm that the tenants are not violating the lease and ensure that the housing you provide is safe and well-maintained.

Bay Area Rents April 2024 From apartmentlist.com

The table below shows the latest rent stats for 20 cities in the San Francisco metro area that are included in our database. Among them, San Mateo is currently the most expensive, with a median rent of \$3,126. Berkeley is the metro's most affordable city, with a median rent of \$1,919. The metro's fastest annual rent growth is occurring in San Bruno (3.6%) while the slowest is in Alameda (-11.1%).

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CITY	1BR MEDIAN RENT	2BR MEDIAN RENT	M/M +/-	Y/Y +/-	
Alameda	\$1,896	\$2,379	-1.1%	-11.1%	
Berkeley	\$1,771	\$2,136	-1.1%	-7.5%	
Concord	\$2,015	\$2,372	0.3%	2.9%	
Contra Costa	\$2,616	\$3,168	0.6%	-0.2%	
Daly City	\$2,538	\$3,125	-0.4%	2.4%	
Dublin	\$2,661	\$3,081	1.2%	-0.8%	
Emeryville	\$2,838	\$3,427	0.9%	-1.7%	
Fremont	\$2,218	\$2,688	1.2%	-1.8%	
Hayward	\$2,248	\$2,529	0.1%	-0.8%	
Livermore	\$1,945	\$2,530	-0.9%	-4.3%	
Oakland	\$1,813	\$2,177	-0.3%	-10.1%	
Pleasanton	\$2,131	\$2 748	0.7%	-2.4%	
Redwood City	\$2,648	\$3,353	-0.1%	-0.5%	
San Bruno	\$2,427	\$2,943	1.7%	3.6%	
San Francisco	\$2,685	\$3,182	0 6%	-2.1%	
San Mateo	\$2,768	\$3,468	1.9%	0.7%	
San Ramon	\$2,273	\$2,623	-0.1%	-2.4%	
South San Francisco	\$2,361	\$3,095	2.1%	1.2%	
Union City	\$2,315	\$2,577	1.9%	-0.5%	
Walnut Creek	\$2,407	\$2,952	0.8%	0.1%	

Rental Property Owner Ballot Initiative Moves Ahead

BHRC has submitted signatures on its petition to qualify a measure for the november ballot.

In Order to Qualify, the Campaign Was Required to Collect and Submit Signatures of City of Berkeley Registered Voters. it Was Able to Submit 4,359 Signatures in Total — Well Over the Required Number of 2,895 to Qualify.

"The voters have spoken. They believe Berkeley renters and rental housing providers need a permanent rent relief fund that will help serve those in need of rental assistance" said Krista Gulbransen, executive director of the Berkeley Rental Housing Coalition. "They also recognize the importance of lessening the impact of government regulation on small rental housing providers who live on site with their tenant."

The Renters Relief & Homeowners Protection Act seeks to update the city's Rent Stabilization Ordinance, first adopted by voters in 1980. Under the proposal, a portion of the city's existing annual business license tax on big landlords would create a permanent fund for renter's

relief. Estimated to provide almost \$1.2m annually, the fund will assist tenants in need of temporary rental assistance. It's estimated a now-expired, COVID 19-era rent relief fund helped almost 1,000 people stay in their homes. Additional reforms include protections for single-family homeowners and for duplexes where at least one owner resides on the property with their tenant. A Tenants Right to Organize provision would allow tenants of a building to organize and request to confer in good faith with the property owner for purposes of housing services and accommodations. Owners will also be required to give at least a 60-day notice for the end of a lease term in order to give a tenant time to convey their intention to renew.

The Berkeley Rental Housing Coalition (BRHC) is the political and legal arm of the long-standing Berkeley Property Owners Association. It is dedicated to promoting safe, affordable, and well-maintained residential rental housing in the city of Berkeley and works to restore fairness, efficiency, and objectivity to Berkeley's rental housing policies.

Some reminders of laws that went into effect at the beginning of the year as well as laws that are upcoming!

AB 12 — Security Deposits — Effective July 1, 2024

This law caps security deposits at one month's rent, regardless of whether a unit is furnished or unfurnished. This cap includes any deposits collected for pets, keys, gate transponders, etc.

Owners of no more than two properties comprising no more than four residential rental units offered for rent can request up to two months' rent. Security deposits for Service Members are capped at one month's rent for all owners.

The law is *not* retroactive for tenancies set before July 1, 2024, and/or any security deposits collected before that date.

SB 712 — Micro Mobility Devices — Effective January 1, 2024

This law allows a tenant's micro-mobility devices, such as e-bikes and e-scooters, to be stored in the rental unit — so long as the batteries are approved by the CPSC (Consumer Product Safety Commission) or the EPS (European Product Standards). If they do not meet these standards, the landlord can prohibit both storage and charging of the device within the rental unit. If the landlord provides the tenant with secure, long-term storage outside the unit, they can mandate that the device be stored outside the unit.

AB 1620 — Permanent Disabilities (Costa-Hawkins Modification) — Effective January 1, 2024

This law allows local jurisdictions that have enacted rent control ordinances to permit a tenant to maintain the same rent if they make a request to the landlord to move to a similar or smaller unit within the same building due to a permanent mobility-related disability. Applies to properties/buildings with greater than four units. The law provides the move only if ALL of the following apply:

- The move is determined to be necessary to accommodate the tenant's physical mobility-related disability;
- There is no operational elevator that serves the floor of the tenant's current unit;
- The new unit is in the same building or on the same parcel with at least four other units and shares the same owner:
- The new dwelling or unit does not require renovation to comply with applicable requirements of the Health and Safety Code;

The applicable rent control board or authority determines that the owner will continue to receive a fair rate of return or offers an administrative procedure ensuring a fair rate of return for the new unit;

The tenant must be current on their rent. Any security deposit paid by the tenant in connection with their rental of the dwelling being vacated shall be handled in accordance with existing security deposit law upon the tenant's move.

SB 267 — Credit History Government Rental Subsidized Housing Vouchers — Effective January 1, 2024

This law prohibits rental property owners from using a person's credit history as part of the application process if they have a government rental subsidy, such as Section 8, without offering the applicant the option to provide alternative evidence of verifiable legal means to pay their portion of the rent.

Go to www.bpoa.org/whats-new-for-2024 to learn more.

Geography Quiz II

- **1.** With what other country does France have the longest border?
- **2.** Can you go east from any point in California and end up in Canada?
- **3.** Name the only two countries in South America which do not border Brazil.
- 4. Where is Krung Thep Mahanakhon Amon Rattanakosin Mahinthara Yuthaya Mahadilok Phop Noppharat Ratchathani Burirom Udomratchaniwet Mahasathan Amon Piman Awatan Sathit Sakkathattiya Witsanukam Prasit?
- **5.** How long is the world's shortest river?
- **6.** How long does it take for a drop water to travel the entirely of the Mississippi River.
- **7.** Which two states have never recorded a temperature over 40°C?
- **8.** In what state is that point in the United States which is closest to Africa?
- **9.** How many times larger is Alaska than Rhode Island?
- **10.** How many countries other than the United States do not use the metric system?

answers on page 18

California Rental Housing Association Public Policy Update

California Rental Housing Association

Budget Update

Governor Gavin Newsom, the Senate President pro Tempore, Mike McGuire, and the Speaker of the Assembly, Robert Rivas, announced an agreement on \$17 billion in early actions to help reduce the shortfall and position California to responsibly address the budget in June. It contains a mix of \$3.6 billion in reductions, \$5.2 billion in revenue/borrowing, \$5.2 billion in delays/deferrals, and \$3.4 billion in shifts of costs from the general fund to other state funds. The package went into a budget bill junior and is expected to be voted upon on April 11th.

Legislative Update

CalRHA held its Annual Lobby Day in Sacramento and was able to advocate directly with Legislators and their staff on the top priorities for CalRHA in 2024. The event was a huge success, as we were able to gain support, negotiate amendments, and our sponsored bill. AB 2278 (Carillo) would publish the maximum allowable annual rent increase under AB 1482. Below, please find updates on several key pieces of legislation.

- AB 2187 (Bryan, D-Culver City) Office of Tenants' Rights and Protections — Would establish the Office of Tenants' Rights and Protections, which is duplicative and costly. A hearing for the bill has been set. (OP-POSE)
- AB 2216 (Haney, D-San Francisco) Household Pets

 Would not allow for pet security deposits or the prohibition of common household pets in residential tenancies. This bill passed the Judiciary Committee and is now on the Assembly Floor. (OPPOSE)
- AB 2584 (Lee, D-Milpitas) Corporate Owned Single-Family Homes — Would prohibit owners of more than 1,000 homes from buying more single-family properties. This bill is pending a hearing in the Assembly Appropriations Committee. (OPPOSE)
- AB 2785 (Wilson, D-Suisun City) Would require
 a landlord to, within 30 days of receiving a tenant's
 security, deposit the sum into an account of a bank or
 other financial institution regulated by the state or
 federal government. If it is deposited in an interest bearing account, any interest accrued on that balance
 would be payable to the tenant. The bill also caps
 screening fees and sets parameters for reimburse ment, including if the tenant doesn't qualify. We have
 been actively meeting with the author's office on suggested amendments. (OPPOSE)

The legislative calendar for 2024

April 26

Last day for policy committees to hear fiscal bills

Мау З

Last day for policy committees to hear non fiscal bills

May 17

Last day for fiscal committees to pass bills to Floor

May 24

Last day for bills to pass their house of origin

June 15

Budget bill must be passed by midnight

June 27

Last day for legislative measure to qualify for the November 5th General Election ballot

July 3

Last day for policy committees to meet and pass bills

July 4 — August 4

Summer Recess

August 16

Last day for fiscal committees to meet and pass bills

August 23

Last day to amend bills on the Floor

August 31

Last day for each house to pass bills

September 30

Last day for the Governor to sign or veto bills



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A Terner Center Report

New Insights on an Overlooked Part of the Rental Market

Introduction

Small multifamily properties — which we define as properties with five to 49 units- make up about 17 percent of the nation's rental housing, totaling about 8.2 million units across nearly 500,000 properties.1 These properties are a significant source of unsubsidized affordable housing. Rents tend to be lower in small multifamily properties compared to larger multifamily properties of similar age and building quality, and small multifamily properties are more likely to house low-income tenants.

However, research on this segment of the U.S. rental housing stock is scarce in comparison to single-family rentals and large multifamily properties. For policymakers and practitioners seeking to preserve the affordability and financial viability of this part of the rental market, it is important to understand landlord management practices, as well as who owns these properties and their financial motivations. For example, it is unclear why landlords who own 5- to 49-unit properties charge lower rents than those who own and manage larger properties. More information is also needed to inform strategies for meeting the capital needs of small multifamily properties, given their distinct ownership and management structures.

To better understand this part of the housing market, the Terner Center fielded a survey of the owners and managers of small multifamily properties across the country. This report provides a brief overview of our research methods, followed by key findings from the survey in the following areas: 1) who owns small multifamily rental properties and why they own them; 2) how landlords of small multifamily properties screen and select tenants; 3) owners' rent-setting practices; 4) how landlords responded to late or missed rent payments during the pandemic; and 5) small multifamily property maintenance practices.

We find that small multifamily properties operate in a middle space between the largely non-professionally owned single-family rental property market and the largely professionally managed large multifamily sector. Our analysis also underscores the role that these properties play in providing lower-cost rental housing options in the U.S. and the importance of targeting preservation efforts to this part of the market. We conclude with implications and recommendations for policymakers and practitioners seeking to support housing stability for renters and to ensure both housing quality and financial viability for small multifamily rental properties.

Conclusion

Our survey was designed to provide insight into the small multifamily (5 — 49 unit) rental property stock, including ownership structures and owner characteristics, and the practices owners use to select tenants, set rents, and maintain their properties. Because this survey was fielded in 2022 and in some cases asked owners to reflect on management practices over the prior two years, data from this survey also represents the experiences of and actions taken by property owners throughout the COVID-19 pandemic, which had profound impacts on the economic and housing stability of renters across the U.S.

Our analysis shows that small multifamily properties operate in a middle space between the professionally-maintained large multifamily sector and the largely non-professionally-owned 1- to 4-unit rental property market. Most small multifamily properties are owned and controlled by individuals, even when these individuals establish an LLC to hold the property. Rental property owners in this subset of the housing stock have a range of incomes, employment statuses, and levels of involvement in property management. Some appear to be real estate professionals, relying on rents for their personal income and spending most of their working time on property investment and management. Many others have very small portfolios and are only part-time landlords.

While property management practices are similarly varied, we found that 5- to 49-unit properties contribute to the much-needed supply of unsubsidized lower-cost housing. Most properties provide below-market rate units — due to some combination of management choices and rent stabilization laws — and continuing tenants in about a third of properties often see no change in their rent upon lease renewal. However, the combination of maintenance needs, financing gaps for capital improvements, and increases in rent delinquency during the pandemic raises concerns about habitability and long-term affordability, particularly in older buildings and those held by small portfolio owners who may be more inclined to sell their properties when faced with steep arrears.29

essential, but under-studied part of the rental housing market. Our findings point to several topics that further research and more robust reporting requirements could confirm, complicate, and/or expand upon, including re-

continued on page 17

Despite this, you must follow the laws

We are now four months into the new year. Are you following the new laws? Here are some of the current new state laws. All are effective as of this past January 1 except for the security deposit change which is effective July 1.

Security deposits. The cap on how much you can charge is now one month's rent, regardless of whether the property is furnished or unfurnished. (There is an exemption for smaller owners with no more than two rental properties containing no more than four units in total).

Motorized vehicle 'bill of rights'. Tenants can now store their e-bikes and scooters (micro-mobility devices) in their units and charge them there. You cannot limit this right unless 1) the batteries in the micro-mobility devices are not approved by the Consumer Product Safety Commission or 2) you provide the tenant secure, long-term storage along with electrical outlets for each device somewhere else on the property.

Credit history in applications. This law prohibits rental property owners from using a person's credit history as part of the application process if they have a government subsidy, such as Section 8, without offering the applicant the option to provide alternative evidence of a verifiable means to pay their portion of the rent.

What will they think of next?

And here's some of what is being debated at the state level for next year's batch of laws:

Requirement to take pets: AB216 would prohibit bans on pets in rental housing and would prohibit owners from

asking about pets on rental applications. Also, you could not charge extra for pets (Of course, not every tenant wants a pet living next to them, but the sponsors of these bills don't seem to care about that).

Screening Fees: There is currently a proposal to not only cap fees at \$50, but to require owners to refund screening fees to all applicants who are not approved by landlords (even if you spent money screening them).

And all the while, rent control continues to spread to more cities, existing laws continue to be tightened, and 'tenant rights' bills continue to be introduced.

Usually, things that have worked for decades don't need to be 'fixed'. Often when they are modified, however, the long-term effect of these rule changes have been the opposite of their sponsor's intent. Let's keep our legislators focused on what will solve these problems: building more housing.

When tenants have more choices of where to live, issues like who will take pets or who won't, and issues like 'indifferent landlords' won't be that critical, because the tenant could always move to another rental where they will either be treated better or they will find something that better fits their needs. In a housing constrained market, this is just not possible.

As I've said before, if you don't want to be a victim, it's time to contact your legislators (at both the local and state level). Have them get to know you and let them know how their decisions impact both you and your other tenants. They need to hear from you now.

Join Us for Quarterly Social Mixers with Fellow Members https://www.bpoa.org/events/

DATE	TOPIC
Saturday, May 18, 10:00 am	Mid-Morning Nosh, Network & Education
Thursday, May 23, 3:00 pm	Legal Overview with an Attorney
Wednesday, June 12, 3:00 pm	Create Rental Listings Like a Pro!
Wednesday, June 12, 4:00-7:00 pm	New Member Social Mixer & Open House

And...check out our Rental Housing Provider 101 series. Whether you're new to rental housing or just want to brush p on your skills, we'll teach you the basics of being a housing provider in Berkeley.

This series is available for playback in the members-only Content Library on our website.

How to Avoid Getting Your Property Insurance Cancelled

Mark Tarses: Landlording with Mark

As you may know, property insurance in California is getting more expensive. And harder to get. State Farm and Allstate have stopped issuing new property insurance policies in California and Farmers has capped the number of new policies they will issue here. These three companies alone handle 40% of all the property insurance in California. Many smaller insurance companies have already left the California market. For example, in February, American National Insurance announced that they are sending non-renewal letters to all 36,000 homeowners in California who insure with them.

The main reason for this is that their payouts in wildfire losses have skyrocketed. If your insurance company is leaving the state, there is nothing you can do about that; however, there is a lot you can do to reduce the chance that you will get a non-renewal letter on your home or rental property. That's by making your property look less risky to an insurance company. Keep in mind that in addition to personal inspectors, insurance companies now also use drones to look over the properties they insure.

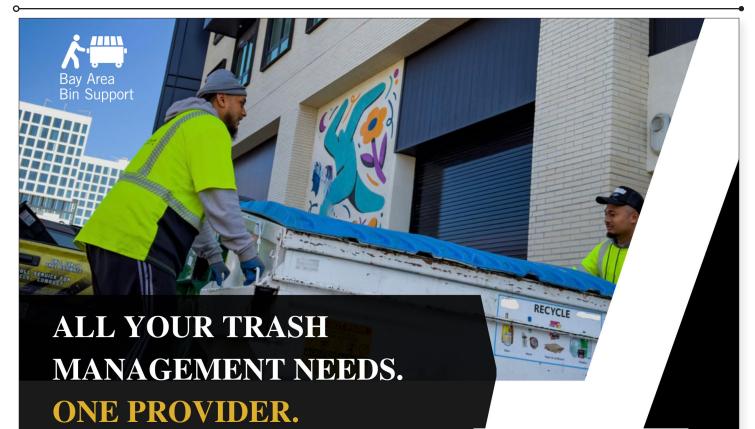
Some suggestions:

1. Replace your roof as soon as possible if the roof is coming to the end of its useful life. A worn-out roof

- may not be visible from the street, but it is the first thing that a drone sees. An insurance company views a worn-out roof as evidence of general neglect of the property.
- 2. Keep your roof, gutters, and yards free of debris.
- **3.** Make sure the trees and bushes on your property are well maintained. Cut back tree branches that overhang your building or that are dead.
- **4.** Don't let people use stairs, halls, yards, or walkways for storage.
- **5.** Keep your decks and railings in good condition. If you have to replace a ground-level wood deck, replace it with concrete pavers.
- 6. There should be no junk outside the building.
- 7. Look over your property regularly. The main risk property insurance companies are looking for in California are fire risks. Insurance companies don't like to see vegetation right up against a building they insure. Try to keep vegetation at least 5 feet away from the building. Fill this area with gravel or concrete, not grass or tree bark.
- 8. You should constantly be thinking about how you can reduce the fire risk at your property. This problem is not going away. Don't wait until you get a cancellation letter from your insurance company before taking action.

O COMING ATTRACTIONS Mid-Morning Nosh, Network & Education Workstation West - In person Saturday, May 18, 10:00 am Legal Overview with an Attorney Thursday, May 23, 3:00 pm Create Rental Listings Like a Pro! Wednesday, June 12, 3:00 pm New Member Social Mixer & Open House Wednesday, June 12, 4:00-7:00 pm BPOA WORKSHOPS — Go Beyond the Basics

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Christian Leonard, Nami Sumida, San Francisco Chronicle, April 7, 2024

Because of San Francisco's rent control law, renters moving into apartments recently may be paying thousands of dollars a month more than tenants who moved in to similar units years ago.

There are some perks to renting the same San Francisco apartment for 46 years — such as paying around \$1,000 for a home in Pacific Heights. That's the case for one renter on the 1700 block of Broadway, according to San Francisco's database of rent-controlled homes. Most of the other renters in the same 41-unit building pay \$2,750 to \$3,500 for a one-bedroom apartment of a similar size — between 750 and 1,000 square feet.

Because of San Francisco's 1979 rent stabilization law — passed a year before the Broadway renter moved into their building — many residents who stay in their apartments for decades now pay far less than their neighbors, the housing inventory data shows.

The allowable rent increase in San Francisco, which is calculated annually based on 60% of the Consumer Price Index, is 1.7% a year, according to the city, though landlords can "bank" increases for later years.

from page 2 Editorial

The Master Plan for Berkeley adopted 70 years ago expected Berkeley to have a population of 200,000 by 2000. As it turned out, it wasn't much more than half of that. City policy, UC's reluctance to build housing, neighborhood opposition and other factors kept development down. Things seemed to have changed. I would not be surprised if the 2030 census shows a population of 150,000.

The bottom line for me is that more housing in California is good public policy. This is the only solution to the so-called housing crisis. Greater density can be a positive. (In the Bay Area development wars, manhattanization has been used as a pejorative and yet everyone loves Manhattan.) Density enhances culture and has social and economic benefits. It facilitates public transportation and better restaurants. Greater density may or may not be a negative for my bottom line as an owner of older rental property but I'm all for it.

Berkeley Eligible for State Housing Grants Under "Prohousing" Designation

Supriya Yelimeli, Berkeleyside, April 25, 2024

Berkeley will be eligible to apply for a \$3.8 million pool of state housing dollars after being recognized for its efforts to boost local housing production.

The state housing department adopted the Prohousing Designation Program in 2021 in an ongoing push to address a statewide housing crisis. As of April 25, Berkeley is among 47 cities in the state designated as "prohousing" that can apply to grants for affordable, workforce and supportive housing.

The statewide fund contains about \$9.5 million, and \$3.8 million is allocated to the Bay Area. The base grant amount for a city of Berkeley's size is \$1.15 million, and the money can be put toward larger projects like development of affordable housing buildings, as well as smaller efforts like down payment assistance or rapid rehousing support for homeless residents.

Berkeley was selected through a points-based system, and the state noted that the city eliminated parking minimums for many housing projects in 2021, easing their path to development. Berkeley was the first city in the Bay Area to drop the requirements, over a year before the state moved to do the same.

Berkeley was also recognized for local laws that fast-track accessory dwelling units and the Housing Trust Fund which allocates money to affordable housing projects.

Emeryville and Oakland are both recognized by the prohousing designation, but San Francisco has been unable to secure the funding so far.

Under its own housing plan, Berkeley wants to build around 9,000 homes by 2031. The state's plan is 2.5 million homes in a similar timeframe, as the homelessness and housing affordability crisis remains acute across California.

QUOTE OF THE MONTH

The main vice of capitalism is the uneven distribution of prosperity. The main vice of socialism is the even distribution of misery.

— Sir Winston Churchill

search that looks at tenant experiences in this part of the housing market. Data on small multifamily (5- to 49-unit) rental properties are scarce, in part because ownership is relatively fragmented and often only semi-professional. Many owners of small multifamily properties are not members of national or local associations of property owners, and as a result are not well-represented in research and policy conversations. While our survey was fielded nationally, and the results are weighted to reflect the national distribution of small multifamily properties by property size, our responses are not geographically representative, nor do we have sufficient sample sizes to examine regional or geographic differences.

Landlord behaviors and property management practices are also regulated by a patchwork of local, state, and federal laws that seek to protect tenants. Given the fragmented nature of these laws and regulations — and the lack of comprehensive data on rental properties and their char-acteristics — we are unable to examine the extent to which the conditions, finances, and management practices reported here are influenced by the local and state regulatory environment. We are also unable to assess whether landlords reported practices, for example on rent increases and eviction practices, that are compliant with existing law.

Our findings also point to policy opportunities for supporting the tenants and owners of small multifamily rental properties. The prevalence and importance of credit checks across property and portfolio sizes reinforces the idea that alternatives to credit scoring and/or efforts to help build and improve renter credit — such as positive reporting of on-time rent payments- could have a meaningful effect for renters looking for housing and build pathways to homeownership. On-time rent payments are rarely reflected in a consumer's credit score, even though research suggests that renters want and could benefit from positive rent payment reporting. 30 Existing programs by Fannie Mae and Freddie Mac are piloting this type of reporting as part of their efforts to boost equitable access to credit.

The survey findings also underscore the importance of targeting preservation efforts at this part of the market, where the practice of keeping rents relatively low may help increase housing stability for existing tenants while limiting the inconveniences associated with turnover for landlords. Capital improvement or property repair funding in exchange for a commitment to rent at affordable levels may help address housing quality and habitability while preserving unit affordability. Our findings also provide additional evidence of the need for more robust efforts to educate smaller-scale owners about the range of supports available to them to help maintain the physical quality and financial health of their properties.

Excerpts from "Ownership and Management of Small Multifamily Rental Properties: New Insights on an Overlooked Part of the Rental Market", A Terner Center Report, January 2024, by Shazia Manji, Research Associate & Nathaniel Decker, Terner Affiliate



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Geography Quiz II Answers

- 1. France's longest border is with Brazil. French Guyana is a French exclave, not an independent country. French Guyana as much a part of France as Alaska is a part of the United States.
- Yes. Pelee Island and Middle Island in Lake Erie are in Canada and extend south of 42°N slightly farther south than the northern border of California.
- 3. Chile and Ecuador.
- 4. That'd be the formal name of Bangkok, Thailand.
- **5.** The Roe River in Montana is 201 feet long.
- 6. 90 days
- 7. Alaska and Hawaii. Temperatures in Hawaii are nearly always between 18°C and 32°C. Fort Yukon in Alaska, meanwhile, has surprisingly hot night-free summers; its lowest and highest recorded temperatures are minus 61.1°C and 37.8°C!
- **8.** Quoddy Head, Maine sits just 3,154 miles from El Beddouzza, Morocco. For comparison, Florida is more than 4,000 miles from its nearest point on the African continent.
- 9. 430
- **10.** Two, Myanmar and Liberia.





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Berkeley Property Owners Association

COMING ATTRACTIONS

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Mid-Morning Nosh, Network & Education Saturday, May 18, 10:00 am

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Thursday, May 23, 3:00 pm

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