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Why are Cities Passing Vacancy Taxes?

Mark Tarses, President, BPOA

Berkeley, San Francisco, and the state legislature are now considering passing vacancy taxes. In 2018, Oakland voters did pass a vacancy tax. This law places a hefty \$6,000 a year tax on any property, including vacant lots, that is “not in use” for 50 days or more a year. Why are they doing this? Now remember — a vacancy tax is very different from a blighted property tax. A blighted property can be a fire and safety hazard for the community, but a vacancy tax applies to well-maintained properties. The reasoning is this — a lot of people believe that speculators make money on vacancies, so a vacancy tax puts pressure on these property owners to put their properties into use. That will, they reason, reduce rents and house prices. Of course, this is absurd. There is no way to make money on a vacancy, so why do people believe this nonsense?

The Tax Write-Off Myth

One of the most widely believed and persistent myths about the rental housing business is the myth of the vacancy tax write-off. I teach American history, and there are some myths that just never go away no matter how many times they are debunked. This is often because these myths are repeatedly mentioned in movies and TV shows, and that is the case with the vacancy tax write-off. According to this myth, speculators buy houses and keep them vacant because they are ‘a tax write-off’. You hear this line in movies all the time, but it is a myth. There is no tax benefit to having a vacancy. The definition of a tax write-off is a business expense that can be deducted for tax purposes. Vacancies and unpaid rent are not expenses. There is no tax credit or tax deduction for having a vacancy. I know people who believe this myth. There are also politicians who believe that property owners make money on vacant houses because they are a ‘tax write-off’, and they say so too! There are many reasons why a property owner may have a long-term vacancy, but it is never for the ‘tax write-off.’ We all need to make people understand — especially politicians — that vacancies are not profitable.

SPECIAL EVENT!

Annual Member Meeting & Board Elections Zoom Event

**SATURDAY, JANUARY 9, 2021
10:00 AM**

Check the event calendar at www.bpoa.org
for information & registration

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Editorial

A Jurisdiction for Everything & Everything in Its Jurisdiction

Albert Sukoff, Editor

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.

2020

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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

Time Magazine once had a feature called *Verbatim* in which they presented a half-dozen pithy quotes which were newsworthy at the time. Those quoted were usually people of some note; a name politician, a credentialed academic, maybe a showbiz celebrity. In the July 10, 2006 issue, for some reason, they quoted me. As I recall, they picked up the quote from the *Chronicle*. What I said that *Time* thought was worth repeating was:

Berkeley has always had a foreign policy, the national one notwithstanding.

The quote referred to a City Council effort at the time to put on the municipal ballot a referendum calling for the impeachment of the president and vice president over pursuit of the Iraq war.

What makes the remark remarkable is that cities do not have foreign policies. Jurisdictions below the level of the federal government may opt to chime in on foreign policy issues but US foreign policy cannot be an amalgam of the opinions — variably expressed — of state, county, and local governments. It does not work that way because it cannot work that way. Including all levels of government, there are about 5,000 geo-political entities in the United States. Foreign policy is only appropriate for one of them.

And that is the point: that there is a proper and/or preferable government level for every government function. At the wrong level, efforts are not likely to be effective. They are more likely to be unnecessarily intrusive, discriminatory and/or mere gestures. Duplications of effort by multiple jurisdictions is also ineffective. It is at least wasteful, if not confusing. An example is that Berkeley and Alameda County have overlapping health departments.

This occurred to me last month — not for the first time — when San Francisco passed an ordinance disallowing gas as a fuel in any new construction. Berkeley and other communities have passed similar measures in recent months. If turning to all-electric power is a good idea, it is because natural gas is a fossil fuel which contributes to detrimental climate change. This may very well be a good reason to phase out gas use.

But it is gestural at best to do this at the local level. If only San Francisco were to do this, the diminution of negative climate effects would be de minimis. The cost — no gas stove, higher fuel bills — would be borne by the occupants of new buildings in San Francisco and the benefit — reduction in green house gases — would be less than negligible. It just wouldn't matter.

If gas is to be eliminated, it can only be done by large jurisdictions, principally countries. Burning fossil fuels is a global problem. It can only be effectively addressed as such. This defines the proper level for government attention.

For BPOA members, our favorite government program is also administered at an inappropriate level. There is a persuasive *general* argument against rent control but the argument against *local* rent control is even stronger. If you are going to control housing prices, it only makes sense to do so at the scale of the housing market. Housing markets are regional. The Bay Area is a single housing market. Berkeley is two percent of the Bay Area.

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❖ THE COALITION CORNER ❖

By Krista Gulbransen, Executive Director

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

2020 Legislative Wrap-Up

In our last BRHC Corner, we talked about what would happen if ballot measures passed. In this article we talk about what did pass and how it will impact rental housing. Although election results are still in the process of being formally certified, the outcome of several ballot items is essentially known.

Prop 21 (Rent Control) – Defeated

Phew! We did it again. 60% of California voters said no to rent control on single homes and no to vacancy control. This was a significant and important win for us. We thank everyone who donated to the campaign. Please take a moment to read our more in-depth article on this important defeat.

Prop 19 (Property Tax Base Portability) – Passed

This proposition passed by a small margin and changes the property tax base for those properties not used as a primary residence. The passage of this proposition impacts rental properties that may be passed on to an heir after an owner's death. Its original intention was to remove an heir's ability to maintain the low tax base granted under Prop 13 — when the heir chooses not to use the property as their primary residence. We know that, on its face, this proposition is very confusing to investment income property owners. We have heard that there may be an opportunity to create a Trust prior to February of 2021 in order to protect the Prop 13 tax base for any heirs. BPOA is working to put together an educational session to guide you further, so stay tuned! The state will not certify the final vote until December and at that time, we hope there will be further guidance on what options are available to investment property owners on the matter. Recent attempts to get further clarification from the Board of Equalizations have been unsuccessful.

Prop 15 (Removal of Prop 13 Tax Base on Commercial Properties) – Defeated

This proposition was defeated by an exceedingly small margin and preserves the Prop 13 tax base of commercial properties. This included mixed use properties which

have both a commercial and residential component to it. We anticipate that there will be continued efforts to chip away at Prop 13 and expect another ballot measure in 2022.

Measure MM – Passed

Measure MM dictates changes to the Rent Stabilization Ordinance. The changes will:

- Require “partially-exempt” units to register with the Rent Board. This includes single family home rentals, some Accessory Dwelling Units and new construction built anytime within the last 15 years. These units are considered “partially-exempt” because the tenants have eviction protections, but they are not under rent control. The fee has been initially set at \$100 per unit, with an initial partial fee of \$50 due by March 1. The Rent Board will be mailing notification to owners by the end of 2020. In the spring, they will reassess what the annual fee should be (it may be more than \$100, it may be less) and whether the standard fee for rent controlled units will decrease.
- Permanently codified that non-payment of rent due to an emergency declaration is not a reason to evict. It requires the City Council to craft and vote on an emergency moratorium to prohibit eviction for non-payment due to the impact. Unfortunately, the current City Council is a body that would easily pass such a moratorium during an emergency, so this is not good news for our industry.
- Removed the ability for an owner-occupied parcel to be exempt from rent control and eviction protections if more than one Accessory Dwelling Unit (ADU) is added to their parcel. If you have a two-unit property and have been thinking of adding an ADU to the parcel, this will subject that unit to rent control and give the tenant eviction protections.

Rent Stabilization Board Election

This was a difficult outcome for us. Despite having five candidates representing property owners, we did not win any seats and the tenant slate took all positions. We are very proud of our candidates' campaign and note that

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Jim Smith made everyone feel welcome and included. I never attended a meeting with Jim in attendance that he didn't acknowledge me by name and have a word or two. He was an invaluable member of our association and of our community.

~ Jeffrey De Puy



Thank you, Jim, for having been. I am sad that you left us. Although I have encountered you on a few occasions before, I did not know you until we really talked. In my first meeting as a BPOA board member, you and I hit a common note. When the meeting ended you and I stayed on, we stayed until almost 3 am. We had a few laughs and groveled in the realities of the real world. You inspired me as to what one man will do for another. From your policing work, as citizen Jim aiding Berkeley police, to your outreach for troubled kids, and our mutual outlook on rent control. And we shared our personal stories too. Although our expressed intent to meet again, remained as only an intent, our exchanged expressions of warm acknowledgment in our casual encounters since, will stay with me as fond memories, forever. Rest in peace, Jim.

~ George Soehngen

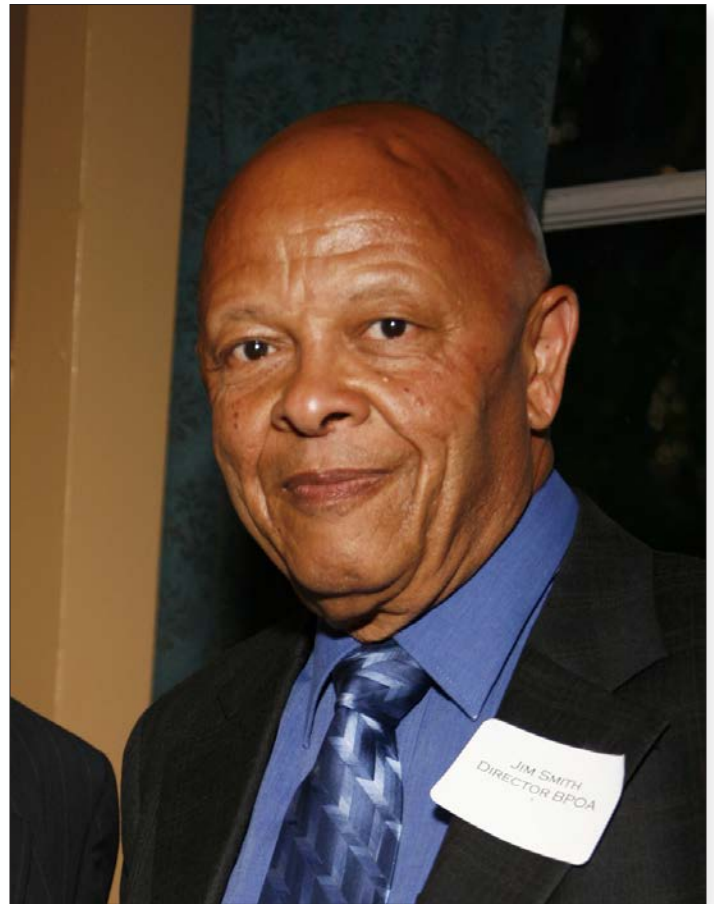


My story began after my mom passed away quickly in mid 1986. With her death came probate, which I helped expedite with assistance from a lawyer that lasted about a year, along with the usual soul searching and reflection that comes from sorting through years of paperwork, old pictures, clothing, personal trinkets, memorabilia, etc.

We had finally reached the point where we had completed the cleaning of our childhood home in June, 1987 and were in the process of deciding whether we should fix up and rent the home out, with myself and my three siblings as co- landlords or sell the home as is, albeit, for a lower price because of the less than pristine condition.

I ran a couple of scenarios and decided because of the numbers and appreciation projections that it would be wise to make an offer to buy out my siblings and renovate the home to live in as my personal residence.

My siblings and I reached an agreement on a buyout price for each. I then made a list of all the necessary repairs and improvements that were needed to make the home comfortable and proceeded to obtain financing. Since there was a small loan balance on the property, I decided to first check with the current lender who offered favorable



terms that were more competitive than other lenders. I submitted a completed loan application and waited for the lender's response, which I expected to be an approval for the loan.

But one week later my application was rejected. Frustrated but still determined, I sought answers. It was then I inadvertently discovered the Black Property Owners Association while reading a local periodical.

I attended a meeting at the old South Berkeley YMCA and it was there where I first met Jim Smith. We talked a bit and I then explained to him my dilemma. He then asked if I would be comfortable giving him the details and I said yes as my first impression of Jim was that he was knowledgeable and trustworthy.

I gave the information to Jim about a day or so later and after a few minutes of reviewing the documents, Jim sighed and said to me "Well, everything looks to be in order, but I think I know why they didn't approve your loan." I replied, "What could possibly be the reason?" Jim went on to say, "Don't worry about it. I've dealt with them before. Just sit tight for a few days or so as I plan on sending them a letter."

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Robert Cabrera, 1948 – 2020

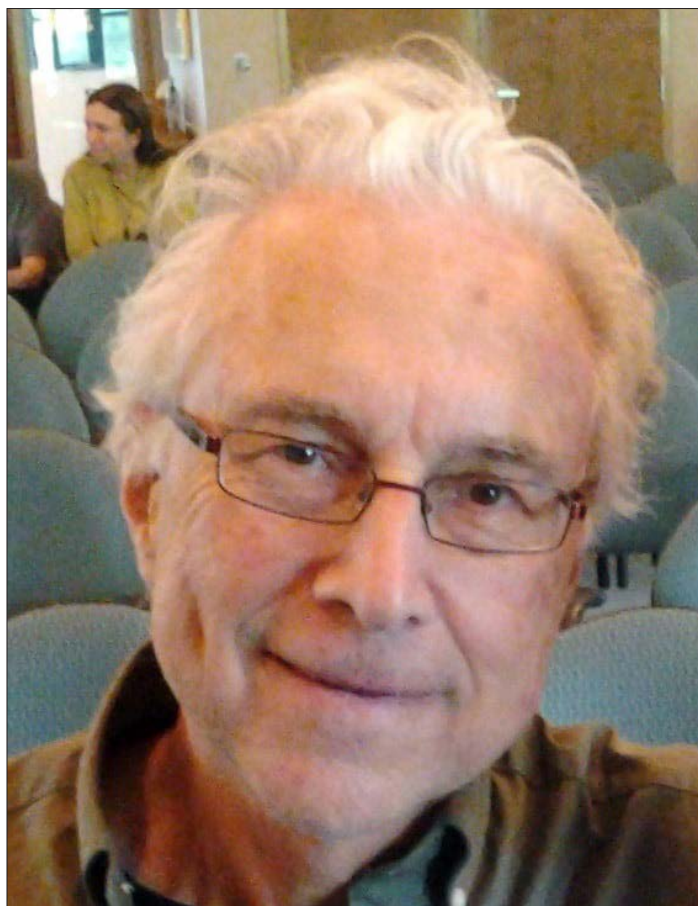
On October 29, 2020, Robert Cabrera, past president of BPOA, passed away peacefully at the age of 72. He was someone who had a boundless energy for his work, travel, skiing and adventure, and a deep attachment to friends and family.

Robert was born Roberto Jorge Cabrera in Buenos Aires, Argentina, August 29, 1948. Looking for better economic opportunities, his family moved to Brooklyn, New York in 1961, where his father eventually established a business as a tailor of fine suits for men and taught at the Fashion Institute of Technology. Robert attended Aviation Career & Technical Education High School before switching to and graduating from Xaverian High School. He was accepted to Hunter College, where he studied art and was an avid painter, though he eventually changed his focus and graduated with a degree in mathematics. Robert worked as a teaching assistant in the New York City public schools and then took graduate courses and taught at Hunter College.

Looking to escape the violence and crime in New York, he moved to the Bay Area in November, 1973, where he applied to UC Santa Barbara's doctoral program in mathematics, and, as part of the process, was allowed to apply to two other campuses as well. Though he had never expected to get into Berkeley, he was accepted and awarded a University Fellowship. He earned a master's degree in mathematics from UCB and taught for a time at City College of SF.

While working on his doctoral thesis, Robert got a job doing carpentry and found that he enjoyed working with his hands and building. He abandoned his academic pursuits and began buying properties in Berkeley to renovate. His appreciation for architecture and love of building and remodeling projects was to become his life-long passion. Becoming a licensed contractor, he specialized in foundation work and, for a time, relocated to Los Angeles where he worked on designing movie sets, started a floor refinishing business and worked on a number of renovation projects. Robert was a mentor to many others, teaching them the construction trades and launching them in their own careers.

When he returned to Berkeley, he continued developing properties, became active in the Berkeley Property Owner's Association, eventually serving several years as president, and was active in passing the Costa-Hawkins Rental Housing Act of 1995. Working with Greg McConnell, his efforts were critical in enacting this game-changing legislation.



Robert married Carol Curtis in 1991 and his daughter, Katalina, was born in 1994. The family spent their summers in the Lot area of France where he enjoyed working on old farmhouses and traveling through England and continental Europe. He had a particular love of the history and the architecture to be found in open air museums. The family also spent many weekends on their property on Greenfield Ranch outside of Ukiah where he was always involved in one building project or another and he loved harvesting the fruit in the orchard.

After an amicable divorce in 2012, Robert found a kindred soul in Anne Harris and moved to San Anselmo. They were married in 2016 at the Marin County Civic Center. Anne inspired Robert to rekindle his interest in skiing which soon became a great passion. The two combined their love of travel with their love of the slopes and made it their mission to ski all around the globe. They continued spending their summers and part of each fall at their house France.

Robert's interests were many and varied, and friends found him an interesting conversationalist. Among other things, he enjoyed gardening, reading about history, seeking out new wines and good cheeses, and hunting through

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Proposition 21 Loses

Alexei Koseff, *San Francisco Chronicle*, November 3, 2020

Voters reject ballot measure to expand rent control

California voters handily rejected a ballot measure that would have rolled back state limits on rent control, the second such measure in three years.

Only about four in ten voters supported Proposition 21. The initiative, which required a simple majority to pass, would have expanded the housing eligible to be covered by local rent regulations, including newer buildings, single-family homes and apartments vacated by their tenants.

The proposition was the sequel to a more sweeping attempt in 2018 to repeal the Costa-Hawkins Rental Housing Act, a 1995 law that restricts how cities can curb rent increases. The 2018 initiative failed by nearly 20 percentage points — a gap that paralleled the 2020 reprise.

Costa-Hawkins prohibits rent control on any housing built after February 1, 1995 — or even earlier in cities, like San Francisco, that had ordinances in place when the law passed. Proposition 21 would instead have set a rolling deadline, so local governments could adopt rent regulations for housing more than 15 years old.

California also exempts all single-family homes and condominiums from rent control and prohibits cities from passing policies that cap the rent on a unit when a tenant moves out. Proposition 21 would have eliminated that exemption for condominiums and single-family homes, unless they are owned by some-

one with only one or two rental homes. It would have allowed communities to restrict rental rates on vacant units, letting them cap increases at no more than 15% over three years after a tenant moved out.

California voters handily rejected a measure that would have expanded the housing eligible to be covered by local rent regulations.

The AIDS Healthcare Foundation, the Los Angeles nonprofit that bankrolled the 2018 measure, spent \$40 million trying to pass Proposition 21. It argued that the measure would provide relief from exorbitant rents. Half of tenant households in the state are considered cost-burdened because they spend at least 30% of their income on rent.

Landlords and developers argue that rent control would worsen California's housing problems by discouraging construction and taking affordable units off the market. They poured in \$85 million to defeat the measure.

The state Legislature has already acted to prevent the biggest rent hikes. A law that took effect this year caps annual rent increases at 5% plus inflation, or a maximum of 10%, until 2030. Like Proposition 21, it exempts housing built in the past 15 years, as well as single-family homes that are not owned by a corporation.



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LA Eviction Moratorium Withstands Landlords' Legal Challenge

Matthew Blake, *The Real Deal*, November 16, 2020

Law does not excessively harm residential landlords, according to judge

Los Angeles' eviction moratorium isn't going anywhere, after a judge found no evidence of "irreparable harm" being done to landlords.

Federal judge Dean Pregerson on Friday denied the Apartment Association of Greater Los Angeles's motion to enjoin a now eight-month-old eviction moratorium law.

L.A. landlords have been sounding the alarm bells that the moratorium is leading to revenue freefalls and triggering stand-offs with mortgage lenders.

But the judge dinged the Apartment Association for offering just a few anecdotal examples of financial hardship, and not one instance where a mortgage lender has foreclosed against a property due to the moratorium. Landlords have "demonstrated just possibility, not likelihood, they will lose homes to foreclosure," Pregerson wrote.

Judge Pregerson also cited the \$100 million Emergency Rental Assistance Program as one reason the City Council has not "simply thrown landlords to the wolves."

City attorney Mike Feuer hailed the victory as enabling "thousands of tenants" to keep their homes amid the coronavirus pandemic, as the number of L.A. cases and deaths are going up. Feuer also called on the federal government to provide assistance measures on top of the rent payment vouchers.

"The decision by the lower District Court is certainly disappointing," said Daniel Yukelson, executive di-

rector of the Apartment Association. "We've always understood that this issue is a very difficult challenge" with so few legal precedents.

Yukelson said that his group would appeal the ruling.

The ruling states that the stand-off between landlords and renters "is, but for the shooting, a war in every real sense. Hundreds of thousands of tenants pitted against tens of thousands of landlords — that is the tragedy that brings us here."

With little precedent for an eviction moratorium, Pregerson leans on an 87-year-old Minnesota case that found its way to the U.S. Supreme Court. There, the courts found that Minnesota lawmakers were allowed to stop foreclosures, because of the extraordinary circumstances of the Great Depression.

"The current emergency is arguably more serious than that brought on by the Great Depression," Pregerson wrote, given the "economic and public health catastrophe."

The L.A. moratorium allows any renter to defer payments if their health or income was affected by the coronavirus. The measure is good for 12 months after whenever the city lifts its "emergency rule" brought on by covid.

At the moratorium's expiration, tenants are expected to pay back rent without interest

Landlords are also tussling with a state law that suspends evictions and makes tenants pay only partial back-payments. That measure sunsets Jan. 31.

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Bargain Hunters Head Back to SF

J.K. Dineen *San Francisco Chronicle*, November 13, 2020

Even as thousands of Bay Area residents flooded Lake Tahoe resort communities in search of rustic lodgings to escape the pandemic over the past eight months, Truckee resident Scott Ehlert was up to something very different.

He was plotting a return to San Francisco, scouring the internet for spacious live-work lofts on Potrero Hill and in Dogpatch, places that would have been out of his price range were it not for the mass exodus of people whose jobs dried up because of the pandemic. Suddenly, lofts that were listed for \$5,000 a month before the coronavirus hit were going for \$3,200 or \$3,500 and rents were continuing to tumble.

Ehlert has become increasingly optimistic. Every time he checks real estate listings rents are lower.

"We left San Francisco in 2009 and we have been chasing that urban, walkable feel ever since," said Ehlert, who owns a sustainable housing development company focused on using mass timber. "Everything is negotiable in San Francisco right now."

To be clear, Ehlert is still the exception and the flight from San Francisco is still very much happening. A San Francisco Apartment Association survey of landlords taken during September and October found that more than 20% of tenants have broken their leases since the start of the pandemic. While some of those leases were taken over by roommates and some of the units re-leased, association members are reporting a 15% vacancy rate, up from under 3% before the pandemic exploded in March.

Meanwhile the city's workforce seems likely to shrink. Data from the jobs site Indeed.com found postings in San Francisco dropped by 38.5% from last year, more than New York City, which decreased 36.4%. From April to June, the city's sales tax revenue dropped to \$30.8 million, down 43% from the previous year, according to the city. Restaurant and bar sales were down 65% as indoor dining was prohibited, while food and drug store sales were down 8%.

But for opportunistic urbanists, especially former city residents who have been priced out in recent years, the out-migration is an opportunity to get into San Francisco on the cheap.

Over the past seven months, Christopher Beale and Reagan Rockzsfforde watched with interest as San Francisco's rents fell. The couple was living in Oakland's Uptown, paying \$3,800 for a 650-square-foot one-bedroom with two

parking spots and a storage space.

By October, they realized that they could get a better deal in San Francisco, where Rockzsfforde used to live and Beale had always wanted to live. They ended up paying \$3,243 for a 1,000-square-foot, two-bedroom, two-bathroom unit in a fairly new building at Polk and Hayes streets. They moved into their fifth-floor pad in November.

Oakland resident Scott Simmons, who works in tech, also started thinking about moving back to the city a few months into the pandemic. Recently divorced, he has watched many of his friends leaving for more suburban locales and realized that he longed for a life that was more urban, not less so.

Simmons has checked out a few apartments in Hayes Valley, where \$2,100 a month will get him a studio in a neighborhood that retains much of its vitality despite losing a number of businesses.

"It seems like a renters' market. There are a lot of good options," he said. "Hayes Valley seems like a good place for a single person to live. There are so many bars and restaurants and things to do."



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Alameda Initiative Defeated

J.K. Dineen, San Francisco Chronicle, November 5, 2020

An initiative to throw out a 1973 law that banned multi-family apartment buildings in much of the East Bay island community of Alameda went down to defeat Tuesday, as a majority of the electorate voted against allowing more density in the city of 78,000. Measure Z was behind 59% to 41% with all precincts reporting.

Proponents of Measure Z argued that the restrictive law — passed as Measure A and codified into law as Article 26 — is “exclusionary zoning” aimed at preserving the largely white suburban fabric of the city by restricting apartments that would have made it possible for Alameda to become more racially and economically diverse. The measure “trampled our capacity to make housing more affordable, accessible and inclusive,” proponents of Measure Z stated in the official voter guide.

While Alameda has adjusted the regulations to allow for multifamily housing on some big waterfront parcels, like the 1,200-unit development at former Navy facilities at Alameda Point, much of the city — especially downtown infill housing sites — has not been available for new housing.

Opponents of Measure Z said the old law — a response to the demolition of historic Victorian homes in the Bronze Coast neighborhood as well as towers proposed for Bay Farm Island during the late 1960s and early 1970s — has preserved the soul of the family-oriented city, preventing it from becoming a collection of waterfront high-rises.

The hotly contested ballot measure divided the close-knit community. Critics said it would lead to traffic jams and the obliteration of the smalltown charm. Proponents, which included Mayor Marilyn Ezzy Ashcraft and all but one of the City Council members, countered that more housing would make the city more affordable and diverse, and would help businesses recruit employees.

City Councilor Tony Daysog, who led the opposition to the measure, said that the vote reflected a concern with the fact that Alameda is an island community with limited development and density capacity.

“At the end of the day we are an island first and foremost and we need something like Article 26 to control growth,” he said.

Mayor Ashcraft called the results “very disappointing” and said that the Yes on Z side didn’t succeed in making the argument that the city could comfortably adapt to growth.

“We had an important message to carry about how Alameda is going to help solve the housing crisis, but I don’t think we did a good job of explaining how Article 26 constrains us from building more multi-family housing,” she said.

SF: Only County to Vote for Prop 21

Annie Vainshtein, San Francisco Chronicle, November 11, 2020

Statewide results from the Nov. 3, 2020, election show that San Francisco was the only county in California to support Proposition 21, the Nov. 3 ballot measure that would have rolled back state restrictions on rent control.

California voters decisively rejected the proposition, which would have significantly amended the 1995 Costa-Hawkins Rental Housing Act limiting local rent control laws.

Statewide, the split for the proposition was 59.6% no and 40.4% yes. San Francisco was the lone outlier, with voters backing the measure 51.7% to 48.3%.

The results likely surprised few: Although rental prices have plunged during the pandemic, San Francisco remains the most expensive rental market in the nation.

But experts say that’s not the only factor in play.

For one, San Francisco has the highest percentage of renter occupied housing of any county in California. “There’s a clear relationship there, said Jason McDaniel, an associate professor of political science at San Francisco State. “The more renter-occupied housing a county has, the higher the support for Prop 21...I think that’s the first part of the story.”

More than 55% of San Francisco’s population is in renter-occupied housing, according to renter population data by Governing.com.

San Francisco’s falling sales taxes and other data like declining apartment rents and busy movers strongly suggest the city’s population is shrinking after four decades of growth.

Another strong factor at play: San Francisco politics. Most of the city’s factions have a strong consensus when it comes to rent control, McDaniel said, with many of its politicians both living in and advocating for rent-controlled housing.

this is the first time in many years that we were able to find potential candidates for all open seats. One of our candidates (Bahman Ahmadi) came very close to taking a seat and was only defeated by just a small margin. We feel strongly that we have expanded Berkeley voter's knowledge about the Rent Board while also discovering that there is still a tremendous amount of education to be done.

BPOA thanks the candidates and to everyone that donated to help try to get them over the finish line. Almost every successful politician had to give it a run or two before they succeeded, and we are confident that in 2022 we will be ready once more!

Looking Ahead to 2021

With COVID continuing to rage and the economy greatly impacted, we anticipate that Berkeley's City Council will make further attempts to protect tenants from evictions in all of 2021. We know that state legislators will come back to the drawing board in December to craft a newly modified state Eviction Moratorium. Regardless, Berkeley plans to strengthen its own as much as it can (including an attempt to prohibit Ellis Act evictions). We encourage you to attend the City's Special Eviction Moratorium Meeting on December 8 at 4:00 pm. This will be a Zoom meeting and the public may comment. You can find a link to the meeting on the city's home page under City Council Agenda or contact BPOA for more information.



Help fund our efforts to fight against unbalanced, unfair, and poorly thought out rental housing policy. Your membership in the Berkeley Rental Housing Coalition helps to employ feet-on-the-ground acting as your watchdog. To lend your support, contact Executive Director Krista Gulbransen, krista@bpoa.org or (510) 304-3575.





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SPECIAL EVENT!

Annual Member Meeting & Board Elections Zoom Event

SATURDAY, JANUARY 9, 2021 • 10:00 AM

Check the event calendar at www.bpoa.org for information & registration

○ — **BPOA WORKSHOPS** — *Go Beyond the Basics* — ○

Prop 15 Fails

Alix Martichoux, ABC7, November 11, 2020

California Will Not Raise Commercial Property Taxes for Education

Proposition 15, a ballot measure that seeks to increase commercial property taxes to fund education in California, failed to pass on November 3rd.

Prop 15 would have amended the California constitution to allow commercial and industrial properties to be taxed at their market value rather than their purchase price.

What does this mean in practice? The proposition would have revised part of 1978's Prop 13, which requires all California properties (residential and commercial) to be taxed at their purchase price with

an annual increase of 2% or inflation, whichever is lower. That means companies like Chevron and Disneyland are sitting on very valuable land, since their market value has gone up significantly since the year they purchased those parcels, but their tax rate hasn't gone up at the same rate.

Prop 15 hoped to change that and would have allowed those commercial properties to be taxed at market value. This proposition would not have affected residential properties, like homes and apartments. Those still fall under the old Prop 13 rules.

Editorial

continued from page 2

Severe rent control in Berkeley and none in Albany make no sense and is unfair to both Berkeley landlords as well as Albany tenants.

The state legislature recently passed an omnibus rent control law. If you are going to have rent control, this makes sense. Regional controls might be better, but city by city controls are unsupportable. And yet, the legislature opted to leave in place all current rent laws. This makes no sense. High rent is not a localized or a statewide problem.

If market interference is to be imposed, it only makes sense at the regional level.

Relative to government activity, who does what in California is wholly at the discretion of state government. Lower levels of government exist at the behest of the state and they are what the state says they are. The California legislature has a problem with recognizing proper jurisdictional responsibility for dozens of issues.

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About 8 to 10 days passed and I received a call from the Great Western Bank Loan officer, explaining that they revisited my loan application and decided that they would approve the loan with some conditions.

I called Jim and excitedly shared the good news of the loan approval. Jim replied, "Well, I guess they received my letter. Congratulations on becoming a new homeowner young man." I replied, "Jim, thank you so much for your help! This is exciting! I don't know what you wrote in your letter, but it must have been quite persuasive!" Jim replied, "Like I said, I've dealt with them before! You let me know if you ever need help again."

Jim Smith's assistance was instrumental with helping me become a first-time homeowner in Berkeley. Jim continued helping others with his contributions to the Berkeley Property Owners Association and other ventures. Jim Smith was kind, knowledgeable and a people person who never met a stranger. He will be sorely missed and will be remembered by all.

~ Paul Reid



thrift stores. Although soft spoken, his views on politics were fiercely held. He had a lifelong love of animals, and whenever he encountered a dog or cat on the street, had to stop and make friends. Above all, being with family was important to Robert, and he travelled to Argentina to visit relatives often. Robert was passionate in everything he did, guided always by an unflagging curiosity about the world.

We at BPOA recognize and appreciate his efforts over the years. He was a worthy member of our community.

QUOTE OF THE MONTH

*...so many windmills,
so little time.*

— from Perry Mason
[2020 TV series] episode

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SATURDAY, JANUARY 9, 2021

10:00 AM

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