FEB 2021



# The Advocate for Berkeley's Rental Housing Providers

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# M

# It's A Wonderful Life

Mark Tarses, President, BPOA

It seems like most people think that eviction moratoriums are *just* a problem for landlords. How do you explain to someone who does not understand the rental housing business that they are very wrong about that? I believe that the best way to explain this is to ask people if they have seen the movie *It's A Wonderful Life*.

This movie is on TV all the time, especially around Christmas. You can buy a DVD copy of the movie for under \$5 on eBay. It is in the public domain. In this movie, there is a run on a small bank in the 1930s. Depositors panic and all demand to withdraw their money at the same time. Jimmy Stewart tries to calm them down. He explains to them that their money isn't just sitting in the vault. It is invested in real estate around town. This sort of thing happened a lot in the 1930s, and people watching this movie when it came out were very aware of that. During the Great Depression, hundreds of banks in the U.S. went bankrupt because people could not pay their mortgages. When Franklin Roosevelt became president in 1933, the very first thing he did was close all the banks in the United States to try to prevent a collapse of the banking system.

Most people in Berkeley understand that most landlords have mortgages and that they pay their mortgages with the rent they collect from their tenants. They also understand that if enough tenants aren't paying rent, eventually landlords will run out of money and will stop paying their mortgages. Even people who hate landlords (and there are lots of them here) generally do understand that. In other words, eviction moratoriums will not just financially ruin landlords, but they will inevitably lead to a collapse of the banking system of the country, just as it nearly did in the 1930s. We should be telling people that what tenants who have lost their jobs due to Covid really need is rent assistance, not endless eviction moratoriums.

If you want to get people to understand the macroeconomic problem with eviction moratoriums, start your conversation by asking the question: "Have you ever seen *It's A Wonderful Life*?" Try it! The movie puts a complex problem into terms that anyone can understand.

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#### **MEMBERS ZOOM MEETING**

# February Topic: Preparing Your Rental Property Taxes

#### **DATE & TIME TO BE ANNOUNCED**

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

### Inside this Issue

Editorial	Page 2
Coalition Corner	Page 3
Sacramento Takes Big Zoning Step	Page 4
Realtor-Backed Group Sues Huntington Beach.	Page 5
Obituaries	Page 6
Another California Eviction Reprieve?	Page 7
Fed Funding for CA Rent Reimbursements	Page 8
Monthly Event Calendar	Page 9
CalRHA Legislative Update	.Page 10
Area Rents Ticking Upward?	.Page 11
Quote of the Month	.Page 12
Services & Businesses	.Page 13



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.

#### 2021

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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**

#### A Simple Proposal

Albert Sukoff, Editor

Sacramento has joined Portland and Minneapolis in virtually eliminating single-family zoning. The Sacramento City Council has adopted an ordinance which allows for up to four housing units on any residentially-zoned lot. (See article on page [??] of this issue of your newsletter.)

I have been an advocate of duplex housing for decades. There is a [1981] book by Martin Geller available online called *Accessory Apartments in Single-family Housing*, which cites "In Praise of the Duplex" a paper I wrote in 1966. I don't remember the paper — I would have been a graduate student at the time — but I do remember the sentiment.

Whatever benefits might be associated with single-family houses, they are not lost if the neighboring house has two or three units. If bulk controls — height limits and setbacks — are the same, the only difference is that the interior space is differently subdivided. Greater flexibility means more units and more diverse housing options. It is virtually all good.

In this newsletter last February, I suggested four restrictions on local government which might be imposed by Sacramento so as to encourage greater use of the existing housing stock. They are worth repeating:

- Cities must be zoned to allow for an overall gross density of no less than ten units per acre.
- Except for reasons of proximity to toxic conditions, no land shall be zoned so as to preclude housing.
- No legal lot over 2,000 square feet shall be limited to a single housing unit.
- For every legal lot, at least one unit shall be permitted for every 2,500 square feet of lot area.

These limitations would certainly garner opposition. So it has been with other proposals introduced in Sacramento. There have been several attempts to pass legislation at the State level to facilitate the development of more housing by limiting local efforts to the contrary. They tend to be complicated, with lots of provisions for every interested party to love or hate. The stakeholders come out of the woodwork. Notably, a measure to facilitate the development of secondary units passed.

For the umpteenth time, let's reiterate that the so-called California housing crisis is due to great effective demand resulting from high wages due to years of healthy economic growth, juxtaposed with limited increases in supply promulgated by obstreperous local governments making countervailing production next to impossible.

Another year of Covid-19 and the demand side of the equation might diminish such that a greater equilibrium ameliorates the housing crisis. This, however, would be a tragedy in its own right. It is far more likely that California will bounce back and that we will still have an imbalance of supply and demand and therefore, too little housing unnecessarily costing more as a result.

On further consideration, I have an alternative suggestion for Sacramento

continued on page 12

# **❖** 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.

### Legislative News & Updates

The BRHC Corner is a way to keep our members connected to rental housing legislation both at the local level and the state level. The Berkeley Rental Housing Coalition is the political and legal arm of BPOA with its own membership. Membership provides support to our political efforts, lawsuits, and the employment of Executive Director Krista Gulbransen.

#### **Eviction Moratorium Extension**

As of the writing of this article, the Governor has announced a deal made with legislators in Sacramento for the extension of the state Eviction Moratorium (known as a A.B. 3088). Once taken to a final vote (by the end of the month) the Eviction Moratorium will be extended through June of 2021. While it remains to be determined how this will impact the local Eviction Moratorium, we do know that it is inclusive of financial relief for some landlords. The announcement stated that the state is "...moving forward as quickly as possible to deploy California's share of the latest federal stimulus bill — ensuring that up to \$2.6 billion in renter aid is administered quickly, equitably and accountably." We will continue to keep you updated on how this extension will impact delayed and deferred rent in Berkeley and more importantly — when and where you will be able to apply for rent relief money.

# Tenant Opportunity to Purchase Act (aka "First Right of Refusal")

In the January newsletter we gave a preview of what is coming down the pike for local legislation with the resurgence of TOPA. Since then, the Mayor and the East Bay Community Law Center have moved forward with shopping the modified legislation to community members in Berkeley.

The BRHC remains in conversation with the proponents of the legislation as well as various BPOA members who could be impacted by this proposal. Mayor Jesse Arreguin is the author and is supported by the East Bay Community Law Center, the Northern California Land Trust and other supportive partners and organizations such as the Berkeley Tenants Union. They hope to craft legislation that will allow tenants and "qualified organizations" to have a better crack at rental housing when it goes to the market. In an area where the free market poses problems

for those that cannot compete, proponents claim this legislation is needed to help reduce the exodus of Berkeley's minority communities.

We understand that competing in an open market is not easy, but neither is property ownership. What is needed is not a market constrictor (especially given the timeframes given for tenants and Qualified Organizations to act on their rights under TOPA) but rather market support for first time homebuyers. We must acknowledge that many tenants have no interest in being a property owner. Maintenance, capital improvements, mortgage costs and a variety of other responsibilities that come with property ownership are not many people's cup of tea. But for those for whom it is, why not find supportive programs that allow for tenants or nonprofits to approach the owner, provide, and offer and give an incentive to the seller in return? Knowing that only a small handful of tenants (with the help of a "supportive partner") or nonprofits are going to be able to purchase a property each year, why put all property sales through the first right of refusal?

The District of Colombia has had the program in place for over 40 years but has recently started to revisit the program to make key modifications. While the program has provided some opportunities for purchase, their Housing Trust Fund used less than 10% of available funds to purchase TOPA-related properties. We presume the other 95% was used for more viable and economically worthwhile housing projects.

Many of these challenges could be addressed by adding more supply — especially small homeownership such as condos, townhomes, or Accessory Dwelling Units. If only Berkeley was creative enough to think well outside the box and look to holistic partnerships that truly address the needs of both tenant and rental property owner.

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.

# Sacramento All But Eliminates Single-Family Zoning

#### Heather Knight, San Francisco Chronicle, January 24, 2021

A major Northern California city took a big step last week toward addressing the devastating housing crisis that's exacerbating inequality, worsening climate change and hurting families throughout our state. In a move that's both practical and visionary, it plans to allows people to build up to four units of housing on any piece of land now slated for one house.

The majority of people speaking in public comment and writing letters about the plan were not cranky NIMBYs, but those who supported building more affordable housing near their own homes. The city council approved it unanimously. The mayor rejoiced, saying the move would foster equity and inclusion.

Was this progressive city San Francisco? Of course not. When it comes to housing, San Francisco isn't progressive at all.

This truly progressive city was Sacramento — a city that's preparing for an influx of residents and businesses by, get this, building more housing. So people of all socioeconomic backgrounds can live there. Shocking, I know.

"Sacramento is a rapidly changing city, and we're shedding our old image as just a government town," Mayor Darrell Steinberg told me. "We are diversifying our economy where we're attracting a lot of tech and life sciences and innovation and broadening our economic base.

"But it is not enough to just grow a modern economy," he continued. "That growth needs to be coupled with an absolute commitment to inclusion. People should not only have the ability to play in Land Park, which is the crown jewel in our regional parks system, they should have the opportunity to live there as well."

What if San Francisco mayors and supervisors had adopted that vision 20 years ago during the first dot-com boom? Or 10 years ago as we emerged from the Great Recession and saw an influx of tech companies and a huge spike in housing prices and rents? What if they'd called for our thriving economy to not leave anybody behind and demanded that people of all income levels be able to live near Golden Gate Park?

While some parts of San Francisco saw high end residential towers built and a smattering of affordable housing was added, the city didn't come close to adding enough units for low and middle-income earners. And large swaths of the city, mostly on the west side, have remained frozen in time. An artist, teacher, waiter, custodian or nonprofit worker new to the city and lacking a trust fund

or high-earning spouse has no chance of buying a home in the city. And little chance of affording rent. Living near Golden Gate Park? Not likely.

So if those people work in San Francisco, they often endure long car commutes, which is bad for the environment and one's health and sanity. Progressive? Not at all.

Of all the land in San Francisco where homes are allowed to be built, 74% of it is slated for single-family homes, according to Matt Regan, senior vice president of public policy for the Bay Area Council, a business advocacy organization.

"It's a suburb masquerading as a city, really," Regan said.
"There's no difference between the west side of San Francisco and most of suburban San Mateo."

"Socially, yes, San Francisco is the most progressive city in the country, but when it comes to land use and planning, it is absolutely one of the most conservative. We give divine rights to homeowners and existing residents at the expense of renters and future residents," he continued. "It's progressives against progress."

For decades, some San Francisco progressives have argued that for some reason, the laws of supply and demand don't apply to San Francisco's housing market. But the pandemic — and the drop in rents here — proves that they do.

And Sacramento's progress isn't even the stuff of NIMBY nightmares. That city isn't plopping high-rises in the middle of residential neighborhoods. It's merely allowing up to four units to be built on one lot while ensuring size and design fit in with neighborhood character. Current height limitations would remain.

It's part of Sacramento's 2040 General Plan, and if it's fully adopted, homeowners could start adding units in about two years. It's similar to action taken in Portland, Ore., and Minneapolis.

Under state law, most California homeowners including those in San Francisco can add up to two in-law units to their properties, but Regan said allowing fourplexes would professionalize the endeavor and add far more housing.

State Sen. Scott Wiener, who has tried and failed to dramatically alter California's laws to get more housing built, said San Francisco's policies "ensure that housing stays super expensive and perpetuates segregation." He called Sacramento's plan "fantastic." continued on page 9

# Realtor-Backed Housing Group Fights Local Granny Flat Restrictions

#### San Jose Mercury News, January 21, 2021

A Realtor-backed group behind a housing lawsuit against Huntington Beach is now suing one Southern California city and is threatening to sue another over alleged efforts to block new granny flats, or "accessory dwelling units" (ADU's).

Californians for Homeownership, a non-profit sponsored by the California Association of Realtors, announced Wednesday, Jan. 20, it is suing the San Diego County city of Coronado, accusing the water-bound city at the end of a peninsula of illegally blocking the simultaneous construction of houses and ADU's.

In addition, the group has threatened the Orange County city of Irvine with litigation over a proposed ordinance imposing parking, set-back and numerous other ADU restrictions should the City Council adopt the measure.

The Irvine council voted Sept. 8 to approve the ordinance on first reading, but has yet to approve final adoption. The homeownership group vowed to sue if the city moves forward with the measure.

"I've got a lawsuit against the city of Irvine on my computer that's ready to go," said Matthew Gelfand, counsel for Californians for Homeownership.

The group calls itself a non-profit public benefit corporation committed to addressing California's housing crisis through litigation in support of affordable housing construction.

To boost home construction, the state adopted a flurry of laws since 2016 requiring local governments to reduce barriers to construction of secondary units on single-family lots, creating lower-cost, stand-alone housing. Housing groups like UC Berkeley's Terner Center for Housing Innovation maintain granny flats are one of the easiest ways for California - which is dominated by low-density, single-family housing - to address its housing shortage.

New state rules reduced the minimum lot size and increased both the size and number of ADU's that can be built on a single lot. One new law that failed to pass last year would have allowed homeowners to subdivide their lots to accommodate up to four ADU's.

The homeownership group has reviewed compliance with these new state laws in 200 local jurisdictions, according to the new lawsuit.

During that review, the group discovered that while Coro-

nado adopted a new ordinance allowing the simultaneous construction of a new home with an accompanying ADU, city staff privately refused to review building permit applications until the secondary unit was removed.

"Despite this language in the city's ordinance, (our group) has continued to receive reports that the city is refusing to accept applications for simultaneous development of an ADU with a new single-family home," said the lawsuit, filed Tuesday, Jan. 19.

Nonsense, replied a Coronado spokeswoman.

"The allegations in this lawsuit against the city are simply not true," Janine Zuniga, a senior management analyst, said in an email. "City staff have not denied or delayed review or approval of an ADU that meets city and state standards."

Zuniga called Californians for Homeownership a special-interest group funded by real estate interests that have little to do with affordable housing. The group, she said, is "focused on helping applicants exploit perceived loopholes created by state law that would allow them to create super-sized, single-family homes that sell for a premium."

The homeownership group also found fault with the Irvine ADU measure that's under consideration.

In a September letter, the group argued the proposed ordinance would make Irvine the only California city to openly defy state ADU laws.

The measure would, among other things, prohibit ADU's near "deficient intersections" to promote traffic flow, require on-site parking to replace garages that are converted into ADU's, limit the number of units per lot and require side and rear setbacks to be consistent with underlying zoning.

The homeownership group maintains those measures violate state provisions. It also rejects arguments that as a charter city, Irvine has sufficient autonomy to circumvent some state requirements.

"If you adopt this ordinance, we will sue the city the day after its second reading, seeking invalidation of the ordinance and an immediate stay of enforcement," the letter said. "We will also sue the city every time it unlawfully rejects an ADU."

An Irvine spokeswoman promised to look into the group's accusations, but has yet to respond.

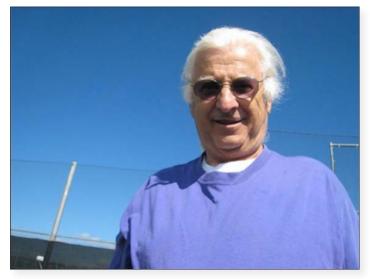
#### **Obituaries**

Theodore R. Edlin ("Ted") died December 15, 2020 of lymphoma. He was diagnosed only 12 days before his death, in part because he continued his energetic life until near the end.

Known for his eccentric dry wit, Ted was to many an endearing curmudgeon who one person said gave "feisty" a positive spin. For roughly half a century he was active in Berkeley politics, opposing rent control and advocating for better city management.

Although he called himself a landlord it would be fair to say he was a housing provider, and the many notes left by former tenants who kept in touch testify to the many hundreds or thousands of quick responses in which he ended up on his back under a sink or with a plunger or snake in a toilet to fix a drain for a UC student or young professional who didn't know what was appropriate to put down a drain.

In Berkeley politics Ted fought against rent and eviction control explaining with countless anecdotes to anyone who would listen the many ways in which these policies, particularly as implemented in Berkeley, reduce the supply of housing and create an ever more dilapidated housing stock. He fought for fiscal prudence in a city that



he was convinced had an entrenched ruling political class that took advantage of the good will and liberal instincts of voters who had too little time to become informed. In the course of these battles he made many friends and no doubt a few enemies.

Ted was generous with his time and was happy to help those who needed advice, legal work, brainstorming on city initiatives and political strategy, or help with construction or maintenance.

Margrethe 'Peggy' Schioler, a founding member of the BPOA, passed away at her Berkeley home at age 94. Peggy was born in May, 1926 in Chicago, Illinois. Her family moved to Denmark when she was 5 and she remained until the age of 20 when she returned to the states to begin her studies. She earned her PhD in German Literature from UC Berkeley in 1962. She went on to teach high school German and English in Pinole. She married Joseph Mileck in 1951 and together raised three children: Martin, Anne, and Paul.

She earned the respect and admiration of her peers and distinguished herself as a dedicated, loyal, and effective citizen who volunteered countless hours to civic duties in Berkeley. She helped to found the BPOA in 1980 and served terms as president, vice president, and editor of the newsletter. She was an outspoken and tireless advocate for sanity and intelligence in the housing debates of the day. On March 10, 2004 the City of Berkeley declared "Peggy Schioler Day." The BPOA annually hands out the Peggy Schioler award for extraordinary service to Berkeley landlords.

Later in life Peggy spent much time in Covelo, CA where she proudly invested in a family ranch, hardware store,



and composting facility. She maintained her sharp wit even as her memory lapsed - once declaring while scooting forward in her wheelchair, "I always live on the edge!" A celebration of Peggy's life will be held in the spring pending the lifting of COVID restrictions. Those who wish to attend may contact Anne Mileck at 530-233-9171. Peggy asked that in lieu of flowers, contributions be made in her name to BPOA, 2041 Bancroft Way, Suite 203, Berkeley, CA 94704.

### Renters May Get Another Eviction Reprieve

#### Alexei Koseff, San Francisco Chroncle, January 26, 2021

Gov. Gavin Newsom and state legislative leaders have agreed to extend California's partial eviction moratorium by five more months as they prepare to hand out billions of dollars in federal rent relief to struggling tenants and property owners.

The deal, which still must pass the Legislature, was put into print on Monday morning, so lawmakers could vote on the bill as soon as Thursday. It would allow tenants who are facing financial hardship because of the coronavirus pandemic to stay in their homes until at least the end of June, when property owners could again pursue evictions for nonpayment of rent.

Lawmakers face an imminent deadline to act, with existing protections expiring at the end of the month. Estimates on the percentage of California tenants who are behind on their rent range from 2%, by the Legislative Analyst's Office, to 21%, by the U.S. Census Bureau — meaning nearly 2 million adults in the state could be at risk of losing their homes, exacerbating a homelessness crisis that is already the worst in the nation.

California received about \$2.6 billion in emergency rent relief through the coronavirus aid package passed by the federal government last month to help ease the pressure. Only households with incomes 80% or less of the median income in their area are eligible for the assistance, however, and it's unclear whether the money is sufficient to cover their debts.

In a joint statement, Newsom, state Senate President Pro Tem Toni Atkins, D-San Diego, and Assembly Speaker Anthony Rendon, D-Lakewood (Los Angeles County), said their plan would quickly make the federal aid available to the most at-risk households.

The proposed eviction moratorium bill sets out terms for distributing about \$1.5 billion provided to the state. Property owners could recoup 80% of the rent that a low-income tenant missed from April 2020 to March 2021 if they forgive the rest of the amount owed and do not pursue eviction.

Property owners could not evict a tenant without first notifying them about the rental assistance program. If a tenant applied for assistance and the property owner did not agree to forgive the remaining 20% of their rent and forgo eviction, the tenant would receive a quarter of what they owed for that period — enough to keep them eligible for eviction protections under terms of the partial moratorium that the Legislature passed last fall.

The state would also make money available to cover 25% of a low-income tenant's rent for up to three more months. Tenants whose income is 50% or less of the median income in their area would receive priority for all of the funding.

The other \$1.1 billion of the federal aid goes directly to cities and counties with at least 200,000 people, which could create a complicated situation in which large communities such as San Francisco create their own rent stabilization programs. But they would be eligible for additional money from the state pot if they follow the rules set out by the legislative deal.

Assembly Member David Chiu, a San Francisco Democrat who had pushed to freeze evictions through the end of 2021, said the deal was "necessary but far from perfect" and would likely require additional legislation to address gaps in protections for renters.

"The power imbalance between tenants and landlords is troubling as the amount of rental assistance a tenant receives is determined solely by the cooperation of their landlord," he said in a statement.

Representatives for property owners — who have raised concerns that some higher-income tenants who can afford their rent are taking advantage of the eviction moratorium to not pay — plan to seek additional state funding for households that are not covered by the federal aid.

"What do we do with those situations where the tenant doesn't qualify but the landlord needs the money?" said Debra Carlton, a lobbyist for the California Apartment Association. "We didn't get everything we wanted, but I don't think we had a choice."

The extension of the partial eviction moratorium would apply more broadly, even to households that make more than 80% of the median income in their area. It would simply add five more months to AB3088, the law adopted last fall



### New Covid-19 Bill Includes Federal Funds for up to 80% of Unpaid Rent

The California Legislature approved a bill Jan. 28 that would reimburse qualifying tenants and landlords for most unpaid rent accrued since the COVID-19 pandemic shut down the economy last spring.

SB 91 would use federal funds to pay up to 80% of back rent accumulated between April 1 of last year and March 31, 2021. A landlord who accepts the money would have to forgive the remaining unpaid rent for that period.

Additional federal dollars would be available to help cover unpaid rent from March through June of this year.

To qualify for the federal dollars, the unpaid rent must be owed by a tenant who earned less than 80% of the area median income in 2020 or at the time of application. According to the Business, Consumer Services, and Housing Agency, landlords and tenants would be allowed to apply for those dollars beginning in March 2021.

The state's distribution of federal funds to cover unpaid rent is limited by the federal rules. Legislators are now considering additional state funding for rental assistance. Those dollars would go to those populations that either are not eligible or who may require additional rental support, above and beyond that which is provided here.

SB 91 is intended as a replacement for California's CO-VID-19 Tenant Relief Act of 2020, or AB 3088, which expires Jan. 31.

Under AB 3088, COVID-19 affected tenants were given until Jan. 31 — less than a week from now — to pay 25% of back rent accrued since Sept. 1, 2020, or be subject to eviction. SB 91 would extend the Jan. 31 deadline until June 30.

It's worth noting, however, that the federal eviction moratorium, which runs through March and will likely be extended by Congress, may prohibit evictions that would otherwise have been allowed under AB 3088.

"While the bill doesn't contain everything we asked for, the important provision here is the payment of dollars for rent that is owed," said Debra Carlton, executive vice president of state public affairs. "Without this money, many landlords are at risk of losing their rental units. It is imperative that the state release that money quickly."

In addition to providing up to 80% of back rent owed, SB 91 would provide additional dollars as an incentive to local governments that agree to follow the state rules established through SB 91. The California Apartment Association argued that a consistent standard will help with compliance for both owners and tenants. Local governments that implement their own rules for distribution of money will not receive additional dollars from the state.

While SB 91 would give tenants more time to pay back rent, it's vital that renters understand they are still responsible for the minimum 25 percent. Tenants must return an attestation to owners declaring under penalty of perjury that they have been negatively affected by COVID, and they must pay the 25% of the rent owed for the month.

### CNN: Biden Extends National Ban On Evictions Through March 2021

President Joe Biden on Wednesday extended the federal ban on evictions through March 2021 with an executive action in one of his first official acts following inauguration.

The ban on evictions has helped millions of Americans struggling amid the coronavirus pandemic. The moratorium on evictions was set to expire at the end of the month.

By one estimate, 14 million Americans are behind on their rent during the crisis. In addition to extending the eviction ban through March, Biden is also expected to ask Congress to keep the moratorium in place through September 2021.

Research has found that evictions lead to significantly more coronavirus cases and deaths in an area.

Advocates say extending the eviction ban is just a first step, and that there also needs to be enforcement to make sure landlords follow the law.

In addition, there are growing calls for the ban to be matched with adequate rental assistance so that an eviction crisis is prevented rather than merely delayed. So but, after months of record job losses, rental arrears may

far, Congress has allocated \$25 billion in rental assistance be closer to \$100 billion. Residential Leasing Company



▶ Kimmi Kataria, Broker CalBRE # 01185967

A.S.K. RENTALS

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# Sacramento Up-Zones

Assemblyman David Chiu called it "a bold move" that could work in San Francisco.

"I appreciate that people are attached to the status quo, but fourplexes are an incremental change that could go a long way in addressing our housing and homelessness crisis," he said.

Mayor London Breed also supports adopting Sacramento's plan. "She's all for policies that make it easier to build housing throughout our entire city," said Jeff Cretan, her spokesman.

So will San Francisco ever follow Sacramento's smart path? Unlikely. Pinning the 11 supervisors down on this question was like trying to capture fog. Supervisor Shamann Walton was the only supervisor to flat-out oppose adopting Sacramento's plan.

"Policies like this would speed up the gentrification in areas like Bayview," he said. "Of course I want affordability and opportunities to provide increased housing, but this policy is bad for San Francisco."

Housing advocates argue the opposite is true — that gentrification has been worse in San Francisco than elsewhere in part because it has built so little housing while creating so many jobs. The city's current policies con-

tribute to high housing costs, which drives people out to places like, yes, Sacramento. That city has seen rents rise because of an influx of Bay Area residents.

"Sacramento doesn't feel like it has the luxury to throw its head into the sand about the housing crisis," said Louis Mirante, legislative director for California Yimby, a prohousing group. "Your Board of Supervisors is seemingly unable to consider the impact their policies have on other people. When it comes to land use, San Francisco could learn a lot of lessons from Sacramento."

James Corless is the executive director of the Sacramento Area Council of Governments, which includes 28 local governments from Davis to Lake Tahoe and the delta to Yuba City, and he is a big fan of Sacramento's move.

"We want to be a region that's one of the most creative, thoughtful and forward-thinking regions in California, and this is the type of policy that does just that," he said. "We have to open ourselves up to be more flexible and invite developers and affordable housing providers in so we can build the city of tomorrow."

He didn't say this directly, but there was one implication: San Francisco is the city of yesterday.

For the safety of our members, our monthly member meetings will remain online through the end of this year. Please check our website for the most current dates and topics or shoot us an email at bpoa@bpoa.org and let us know about a topic you'd like to see covered.

# https://www.bpoa.org/eventcal.php

DATE	TOPIC	
February	Taxes & Your Rental Property	
March	Legal Challenges During an Eviction Moratorium	
April Fair Housing, Emotional Support Animals & Marijuana		
May	May Insurance Coverage & Your Rental Property	
June	Local & State Regulations Update: Everything You Need to Know	

**New for 2021!** We will be hosting a Beginning Landlords Series for new housing providers or anyone that needs to brush up on the basics of being a landlord in Berkeley. Each month we will take on a new topic in depth, examining everything you need to know to manage your own property.

#### CAlRHA Legislative Update

#### California Rental Housing Association: Cultivate • Advocate • Legislate

On January 11, 2021 the Legislature reconvened for the 2021-22 Legislative Session. Although they are back in session, what session will look like in 2021 given the Covid-19 pandemic remains to be seen.

#### **Budget Update**

Governor Newsom revealed his proposed \$227.2 billion state budget on January 8, 2021. As part of his state budget, he has proposed that the state quickly deploy all \$2.6 billion in federal renter relief as early action -- \$1.4 billion of which is allocated directly to the state and \$1.2 billion of which is allocated to entitlement jurisdictions - all targeting low-income California households, while helping to stabilize small property owners who are also struggling.

#### Legislative Bills

There are several critical issues that need to be addressed, including dealing with AB 3088, which is set to expire on January 31, 2021. Assemblyman Chiu was the author of AB 3088 last year, the Tenant, Homeowner and Small Landlord Relief and Stabilization Act of 2020, which was the bill that prohibits rental property owners from evicting tenants who have been negatively impacted by COVID-19 as long as the tenant pays 25% of the rent by January 31, 2021. As the eviction moratorium is set to expire on January 31, 2021, several bills have been introduced in the Legislature to extend the moratorium.

 AB 15 (Chiu) - Tenant Stabilization Act of 2021 would extend the eviction prohibition, so long as the tenant pays 25% of their rent, until December 31, 2021.
 In addition, this bill will make small claims court the exclusive court for collecting back rent and it would

- remove the requirement that high-income tenants provide additional documentation supporting that they suffer from COVID-19 financial distress. CalRHA has taken an Oppose position to this bill, as it will be detrimental to the rental housing industry.
- SB 3 (Caballero/Bradford) The Senate bill is far less egregious than AB 15, as it only extends the sunset date of AB 3088 until March 31, 2021. SB 3 takes a quarterly approach to extending AB 3088 to allow the Legislature to reassess the rental landscape before making a sweeping decision like what is currently included in AB 15. The authors are contemplating making other changes to the bill, including partial payment of rent on a monthly basis, additional documentation, which were proposed changes made by CalRHA.

CalRHA will continue to negotiate with both authors of these bills, the Legislature, and the Governor's Office on thoughtful solutions. In addition to these bills, CalRHA has worked with the Senate Business and Professions Committee who has agreed to include the balcony fix in their committee omnibus bill. We are also pursuing legislation to streamline ADUs and have been working with the Legislature on TOPA legislation. 2021 promises to be a very busy year.

Kate Bell, Partner, Capitol Advocacy, Lobbying firm for the California Rental Housing Association (www.cal-rha.org). Your BPOA membership automatically provides you with a membership in CalRHA.

#### MEMBERS ZOOM MEETING FOR FEBRUARY

# Preparing Your Rental Property Taxes DATE & TIME TO BE ANNOUNCED

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• BPOA WORKSHOPS — Go Beyond the Basics — •

### Are San Francisco Rents Showing First Sign of Return To 'Normal'?

#### Roland Li and Susie Neilson, San Francisco Chronicle, Jan. 27, 2021

Apartment rents rose across San Francisco, San Jose and Oakland in January, the first price growth since the coronavirus pandemic erupted last spring.

San Francisco's one-bedroom median rent was up 0.8% to \$2,680 per month from the prior month, the first increase since April 2020, according to real estate listings company Zumper. San Jose was up 1.9% to \$2,130 per month, and Oakland spiked 2.6% to \$2,000 per month, both compared with the prior month.

San Francisco's rents have still plunged 23.9% from the previous year, while Oakland fell 19% and San Jose was down 12.7%, according to Zumper. The widespread embrace of remote work, particularly in the tech industry, has upended a housing market that appeared unstoppable, fueled by nearly a decade of record job growth and business expansion.

A separate report by Apartment List found that San Francisco had a monthly median rent drop of 0.4%, a smaller decline

compared to recent months. Apartment List's methodology differs from Zumper and incorporates Census Bureau data.

San Jose is now the third-most-expensive U.S. market and Oakland is the fourth-most-expensive, while Boston dropped to fifth. San Francisco retained its top spot over New York.

January's increase wasn't entirely unexpected: In late December, Zumper published a report showing that renter interest in San Francisco and the Bay Area had rebounded somewhat after sagging at the beginning of the pandemic.

"It's difficult to distinguish whether Bay Area gains are due to post-holiday seasonality or a trend reversal at this point, but there has been a significant increase in renters interested in moving to the Bay Area on our platform," said Neil Gerstein, a Zumper analyst.

The national median rent was up 0.3% for one-bedrooms in January, while two-bedrooms were flat, compared with the prior month.



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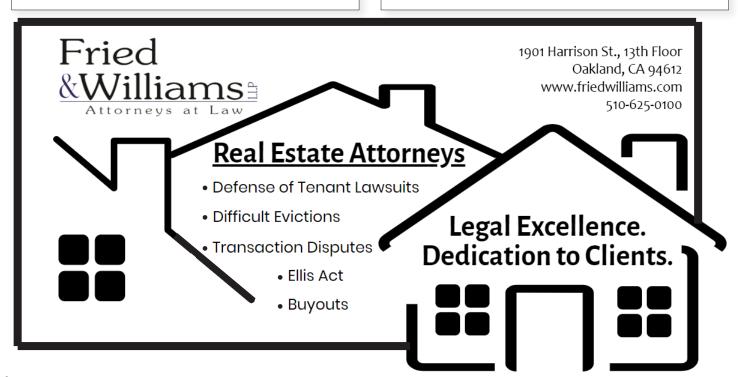


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legislation. Other efforts still appreciated, this measure would allow that, from the date of passage...

Every lot in California on which residential development is now permitted shall be allowed any or all of the following: one additional unit, one additional floor and enlargement of the building envelop up to the limit of current zoning controls.

In other words, without discretionary review, any existing residential building or vacant lot could be developed or modified to its fill the allowable volume currently permitted, plus one story.

This measure is less intrusive of local authority than the ADU law which the State imposed on cities. It is simple, straightforward, and almost self-administered. This impact in any specific location would be minimal.

If you could just get a penny from everyone on the planet, no one would be hurt and you'd be a multi-millionaire. This is analogous: a whole lot of small, painless costs yielding a wealth of benefit as a result.

#### continued from page 7 Eviction Extension

that granted a reprieve to tenants who could not afford their rent because they lost their job or faced additional expenses due to the pandemic.

Under that law, tenants who warned their property owner and then paid a quarter of their total rent between September and January could not be evicted for nonpayment, and the rest of what they owed would be converted to civil debt. Without an extension of the law, property owners would be able to file to evict tenants who could not pay at least 25% of the rent for those five months by Jan. 31.

The new bill would move that deadline to June 30. Other requirements under last year's law would remain, including a provision allowing property owners to ask higher-income tenants — those who make more than 130% of the median income in their area, if it is above \$100,000 — for proof they have lost income. It would also extend a preemption on local eviction rules, preventing local government from adopting new protections beyond what they had in place on Aug. 19, 2020.

The measure would cap the amount of attorney fees that property owners could recover from tenants while suing for their missed rent and allow the court to reduce the damages if a property owner refused to participate in the state rental assistance program for an eligible tenant.

### QUOTE OF THE MONTH

While we're here, we might as well form a government.

— January 6th insurrectionist on the floor of the US Senate

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