

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

Berkeley Annual Safety Inspections

Mark Tarses, President, BPOA

Most Berkeley landlords conduct their annual safety inspections in the summer, including me. During my annual safety inspections, I do a number of things that are not required by the law but that every landlord should do periodically.

- 1. Dust refrigerator coils and furnaces. Get a Black and Decker Max Flex Dustbuster. It is a small cord-less vacuum cleaner with a flexible hose. They sell them on Amazon. A vacuum cleaner with a flexible hose is essential for this job. Take the covers off wall furnaces and vacuum out the inside. Dust inside clothes dryer exhaust pipes. Dust the coils of refrigerators. Dust can really build up in these places. Dust buildup on refrigerator coils and inside dryer hoses can significantly shorten the life of these appliances and dust buildup inside a furnace is a fire hazard. You may not have to do this job every year, but have you ever dusted these places?
- 2. Clean and replace filters. More and more things in apartments have filters in them. Every year you should remove the filter in the exhaust hood over the kitchen stove and clean it out in hot water. There are filters in refrigerators with ice makers and forced air furnaces, and they need to be replaced periodically. Mini split air conditioners, dehumidifiers, and direct vent gas furnaces have cleanable filters in them. Failure to clean or replace the filters can burn out your appliances.
- **3.** Above all, be on the lookout for dangerous things that your tenants are doing. It is impossible to make a complete list of all the dumb and dangerous things that people do. The most common safety hazard that I find on my annual inspections is that a tenant has obstructed an exit. On more than one occasion, I found that a tenant was storing stuff in a hallway. People often store stuff in hallways and on staircases. Some people use fire escapes as gardens and fill them with potted plants and lawn furniture. When you see things like that, take photos. Since these things could result in somebody's death in a fire, this isn't something you should negotiate with your tenants about. Give them an ultimatum and put a stop to it immediately.

MEMBERS ZOOM MEETING Thursday, June 10th, 2:00pm Estate Planning: What California Real Property Owners Need to Know

with Paula Leibovitz Goodwin, Partner, Perkins Coie LLP

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

For the safety of our members, our monthly member meetings will remain online through the end of this year.

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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

Impact Fees Albert Sukoff, Editor

I am adding three units to a duplex in Oakland. As usual, when I expect a ticker tape parade for my efforts, I get raspberries. I am creating housing. Every policy at the city and state level accedes to the need for more housing. And yet at every turn, they make the process more complicated and more expensive. It is a classic on-the-one-hand/on-the-other-hand situation. Unfortunately, the hand that takes is more vigorous than the hand that gives. The let's-promotehousing campaign is mostly talk. The let's-milk-the-process campaign, on the other hand, is very real. Despite all the pro-housing rhetoric, housing production is still stifled by demands which require excessive and unwarranted time, toil, and treasure on the part of housing providers.

Board member Richard Genirberg is a lawyer and has at times been my sounding board for ideas to challenge legal constraints on the housing market. I think he finds my naivete amusing and so patronizes my musings about the legal system as a source of retribution. I recently sent Richard the following (edited for our purposes here) email. The subject is impact fees on new housing permits.

Many California cities charge impact fees as part of the approval process for new housing. The justification is that new housing units exacerbate the so-called housing crisis i.e., that the impact of more housing on the housing market is negative and justifiably compensable. This of course is Orwellian. The only thing that would ease the housing crisis in California is more housing.

The fees in Oakland range from \$13,000 to \$24,000 per unit, depending on which of three zones hosts the new housing.

Section 15.72 of the Oakland Municipal Code defines the purpose of the Affordable Housing Impact Fees and enumerates the findings used to justify the charge. A study is cited which proports to link added housing with the high cost of housing. The argument presented says that more supply attracts more demand and thereby makes the affordability crisis worse. This of course is nonsense. The maximum number of new residents that new housing could attract is exactly enough new residents to fill the new housing. That's a wash. However, only a portion of new housing will be occupied by new residents to the Bay Area; the rest will rehouse someone already here. A benefit. More realistically — and consistent with basic economics — more supply means lower cost. A benefit.

Think of it this way: if, at a finger snap, one could either double the amount of housing in the Bay Area or cut it in half, which would result in lower cost?

The attestation that more housing makes the housing market worse for consumers is a mockery of reality. I don't know how you can juxtapose these impact fees with other city housing policies and not be embarrassed. Oh, I forgot, these people do not embarrass easily. Here in part is Richard's response to me:

Everything you wrote seems undeniably true, but I can't imagine on what basis one would legally challenge the government fees to which you object. Remember that "stupid" or "unwise" or "ineffective" do not invalidate laws.

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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.

The Berkeley Rental Housing Coalition is here to keep members updated on local and state legislation that impacts your rental business. This month we update you on the state of some local legislation. Be sure to read last month's BRHC Corner that delves into the social housing platform many of our elected officials ran their political campaigns on.

What's going on with the Tenant Opportunity to Purchase Act (TOPA)?

If you have not already heard, we have been hard at work in coordination with other like-minded organizations to halt the advancement of the Tenant Opportunity to Purchase Act. Sold as an opportunity for your tenants to buy your rental property when you go to sell, it gives them the First Right of Offer, preventing you from going out to the open market for a period of time. The funny thing is, tenants already have the opportunity to purchase your property! They do not need more opportunity — they need more financial assistance to become property owners. TOPA legislation does not provide for any financing but does lengthen the potential time to close on sale of your property.

We spent a lot time putting pressure on the Mayor (author of the legislation) and other Councilmembers to let them know that this won't actually lead to more tenants buying their property. It will harm small owners who need to sell quickly and for the best price possible. This is because many small property owners are utilizing their rental properties to fund their future. We are pleased to see that the Mayor did make some recent amendments. He has proposed to exempt single family homes and owner-occupied duplexes from the policy. He also proposed that more time be given to implement the policy, meaning it would not go into effect until July of 2023.

These amendments are a great win for our industry. It is exceedingly difficult for us to stop legislation from advancing. It is noticeably clear that the City Council deck is stacked against us as most Council leans towards social housing policy. But when we come out in droves and show our dissatisfaction for poorly thought-out policy, we can have an impact. The policy still has a long way to go before it becomes set in stone. We invite you to learn more at www.StopTOPABerkeley.org and keep your eyes open for our calls to action!

When will the Eviction Moratorium end?

The Eviction Moratorium has been in effect since March of 2020 when the pandemic first started. It prohibits any owner of any type of unit (regardless of whether it is subject to the Rent Stabilization Ordinance or not) from evicting a tenant for any reason. That includes owner move ins and violations of the lease. A good handful of our members have had personal struggles because of the moratorium — from unruly and dangerous tenants to nonpayment of rent for months on end.

But there does appear to be an end in sight. On May 21 the Governor announced his intent to "reopen" the state for business starting June 15. That means people will be able to go back to work in a pre-pandemic capacity, which for some should also mean earning more money to pay the rent. The state's Eviction Moratorium is currently scheduled to end on June 30. Many emergency orders by local governments are the result of the emergency powers given to them by the Governor and are tied directly to the health orders from a city's health official. That is the case in Berkeley and our Eviction Moratorium is tied directly to those orders. Once the emergency health order has been lifted, so should the Eviction Moratorium.

But for us, the fight is probably not over yet. We are certain some City Councilmembers and the Mayor will do everything they can think of to try to protect tenants who may not be able to pay rent because of the impact of COVID. The question is: can they continue to prevent our ability to terminate a tenancy for everything else as permitted by the Rent Stabilization Ordinance? We argue that their time will eventually be up and that they will no

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Tax planning and preparation for landlords

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510-564-7203 info@lwleecpa.com www.lwleecpa.com J.K. Dineen, San Francisco Chronicle, May 13, 2021

Think tank's vision for Bay Area includes city-center clusters, protections for tenants

The Bay Area of 2070 would be a place where homeless encampments are a thing of the past. Builders would be allowed to construct three- or four-unit buildings in suburban single-family neighborhoods. Speculators would no longer be able to evict tenants in order to convert apartments to condos.

And new housing would not gobble up precious farm land in counties like San Joaquin or Contra Costa, but would

be built mostly in five-story buildings in historic downtowns like Alameda, Fairfield, Mountain View, Pleasanton and Santa Rosa.

This is just a narrow slice of the vision laid out in a series of 26 reports by the urban think tank SPUR, set to be released Thursday. The 50-year "regional strategy," Bay Area 2070, attempts to redesign the region by looking at housing, transportation, growth, racial equity and climate. It includes 175 policy recommendations on everything from rent control to rapid bus lines to protecting against sea level rise.

The ambitious SPUR project, the result of three years of work by the

San Francisco group, starts with the premise that over the next 50 years the nine-county Bay Area will grow by 4 million residents and need 2.2 million new housing units. Under the current land-use approaches taken by the cities and counties in the region, it's likely that about 1.4 million homes would be produced, and much of that would be put in the wrong places — farmland and open areas that are far from transit, SPUR said.

The SPUR reports compare two scenarios: "business as usual," based on current zoning and land-use patterns; and a "new civic vision," which imagines a more equitable and sustainable region with reformed land-use regulations.

"The motivation for the project was recognizing that all of the things we experience as challenges are the result of systems we created," said Alicia John-Baptiste, SPUR's

"If we want a different future we need to be intentional about designing that future. We wanted to be as aspirational as possible and set aside current political constraints."

CEO. "If we want a different future we need to be intentional about designing that future. We wanted to be as aspirational as possible and set aside current political constraints."

According to SPUR, the "business as usual" approach would result in 358,000 new housing units and office space for 646,000 workers being plopped down in hazardous and protected areas — such as farmland and low-

> lying waterfront areas. But the SPUR scenario would add almost no new jobs or housing in these zones. SPUR estimates that 500,000 new homes could be built in transit-oriented downtowns and another 543,000 units could be built along major commercial corridors such as El Camino Real on the Peninsula, Geary Boulevard in San Francisco and San Pablo Avenue and International Boulevard in the East Bay.

The "business as usual" planning would result in about 850,000 jobs in transit-friendly, walkable neighborhoods while the SPUR approach would add about 2 million jobs in those areas. SPUR calculates that about 523,000 units could be added

in smaller buildings — two- to six-unit constructs — in areas currently zoned for single-family homes.

SPUR board member Robert A. Wilkins Sr., a management consultant and former longtime CEO of the YMCA of the East Bay, said the strategy's goals on housing increased density near jobs and transit — is not breaking new ground. But the difference is that the strategy is "people centered."

The report delves into how to stop evictions, how to build less expensive affordable housing and how to strengthen tenant protections. It explores creating a real-estate transfer tax that penalizes short-term "flipping," expanding homeownership opportunities for low- and moderateincome families and reforming construction defect laws that make many builders reluctant to construct condos.

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www.spur.org/sites/default/files/2021-05/SPUR_Rooted_And_Growing_Report.pdf

From Page 17:

California continues to deal with a housing affordability crisis that has plagued the state for many years. A shortage of housing has led to increased homelessness, displacement of low- and moderate income people and a reduced quality of life for people who commute long distances or live in overcrowded homes.

Rent control, also known as rent stabilization, is a tool cities use to maintain a base of affordable rental housing for low- and moderate-income tenants. Regulating the rents, or the increases in rent, that landlords can charge provides significant benefits to residents who live in rentcontrolled units. In many cases, residents would not be able to remain in their home — or even in their city — if their rent went up to market-rate levels. In addition, by allowing households in rent-controlled units to remain in place, rent control provides greater community stability. We have seen firsthand how rent control has provided protections for many who might not otherwise be able to compete in San Francisco's overheated market.

Rent stabilization in San Francisco applies to more than 172,000 units — approximately 75% of the rental housing stock as of 2019. In our ballot analysis and recommendations to voters, SPUR has historically been hesitant to support the expansion of San Francisco's rent stabilization ordinance or the statewide abolition of the Costa/ Hawkins Act, a 1995 state law that places limits on local rent control regulations. Economic studies have shown that while those protected by rent control see important benefits, overall housing markets — and those living in units not protected by rent control — may pay for those benefits with a shrinking rental stock and increased rents for new residents. SPUR has concerns that local rent control laws can — inadvertently or intentionally — result in less housing production than the state needs to house the people who want to live here. But the Bay Area's longstanding affordability challenges and increasingly urgent displacement crisis give SPUR good reason to consider what kinds of rent control reforms could provide benefit to tenants without slowing the expansion — or worse, causing a shrinkage — of the rental housing supply. Such reforms could include: 1. expanding local rent control laws to apply to single-family homes, which currently

comprise 37% of the state's rental housing stock, and 2. creating a "rolling date" for all residential buildings to become subject to local rent control laws as they age. The length of this term, as well as other policy details, would be critical to consider carefully, as choosing a term that is too short would likely discourage developers, lenders and investors from building new housing. SPUR does think the market could adjust if the rolling date is set appropriately. However, to protect the production of new housing, it is critical to retain "vacancy decontrol," or the practice of allowing owners to set rent levels for new tenants. Cities could also explore using "means-tested" rent control, which would limit rent-controlled apartments to low-income households and ensure that the benefits of rent control are shared with those who need it the most. However, this could come with trade-offs since rent control is one of the few tools the Bay Area has to support affordable options for middle-income households without providing subsidies to these renters.

SPUR has disagreed with two recent attempts to repeal or reform Costa-Hawkins, but we recognize the key role that rent control has provided in preventing displacement and believe rent control should be reformed in a way that expands support to a greater number of people while encouraging new housing to proceed.



Manuela Tobias, CalMatters, April 26,2021

A state law passed in January extended eviction protections for tenants through June 30, as long as tenants show they lost their income due to COVID-19 and pay a quarter of what they owe.

The law also allocates a whopping \$2.6 billion in federal money for rent relief.

Trejo, however, is one of many desperate Californians who won't benefit because her debt is not to a landlord.

With the eviction moratorium set to expire in two months, the verdict is still out on the biggest rent relief program in the country. But legislators and tenant and landlord groups who complained about the 11th-hour compromise worked out by Gov. Gavin Newsom and legislative leaders say their biggest fears are coming true.

"I am very concerned about tenants who sacrificed everything to pay the rent but went into extreme debt," said Assemblymember David Chiu, a Democrat from San Francisco who helped craft the original eviction moratorium last year as the economy cratered during the pandemic. "How we assist those individuals is something that (the new law) did not contemplate."

To assess the success and shortcomings of the unprecedented rent relief effort across the state, CalMatters interviewed more than two dozen officials, advocates, landlords, tenants and volunteers, and reviewed several surveys and studies. That analysis found:

- Tenants who voluntarily move to less expensive housing or take out loans to pay off rent are not eligible to receive relief.
- Some landlords are turning down rent relief and still evicting their tenants.
- Many mom-and-pop landlords, either struggling to cover their costs or tired of heavy regulations, are leaving the rental market.
- While there are strict regulations to ensure only the neediest tenants get money, there are no restrictions on the landlords who can benefit. That favors larger and corporate landlords.

- Strong legal protections for tenants are being undermined by a lack of understanding of the law and lack of access to legal representation.
- The total need for rent relief remains largely unknown, but bigger cities say the funds are already insufficient.

Landlords are in charge

The new law allows landlords to collect aid totaling 80% of unpaid rent from April 2020 to March 2021, as long as they forgive the rest. Tenants can also apply for relief to pay utility bills and 25% of future rent, covering April, May and June 2021, if funding allows.

But the back rent relief doesn't cover people who moved out to stay with family or pay cheaper rent, or those who paid with credit cards or other forms of debt, because the law is only designed to protect people from eviction.

Tenant groups say the law isn't effectively doing that, either.

Landlords can turn down the 80% deal, in which case tenants can collect 25% of the rent they owe and have the rest of their debt relegated to small claims court.

"It legally allows them to pick and choose the fate of that person's life and whether or not they're going to be saddled with thousands of dollars of debt," said Anya Svanoe, communications director at the Alliance of Californians for Community Empowerment Action.



SPUR Report

"I always start with the question — who are we doing this for? Cities are for people, and the notion is to create an environment in which everybody can flourish," Wilkins said. "We have some of the greatest prosperity in the world and on the other hand we have some of the greatest poverty. Let's start out by looking at the gaps. Historically, how did we get here and who has been left behind?"

Nothing in the SPUR vision will come easy — many of its goals have long been crusades for Bay Area housing and tenant advocates but have faced severe backlash from voters and elected officials. For example, SPUR calls for the reform of the state's environmental review process — a set of laws that opponents regularly use to delay or kill new housing — that multiple lawmakers have failed to get done over the past two decades. It advocates for cheaper modular housing to become the norm, something that building trade unions are battling against.

The SPUR report is careful not to call for the overdevelopment of "communities of concern" — traditionally working-class, Black and brown neighborhoods vulnerable to displacement and gentrification. The "new civic vision" would add slightly less overall housing within these communities compared to continuing business as usual. Tomiquia Moss, a SPUR board member and CEO of All Home, said the 50-year plan imagines a "more equitable and just Bay Area" where homelessness is eradicated and "housing is seen as a right." The lengthy horizon makes sense given that the crises facing the region — housing, homelessness, traffic gridlock — took at least that long to develop, she said.

One of the report's authors, Stephen Engblom, executive vice president of the architecture and engineering firm AECOM, said he and his fellow researchers challenged themselves to reimagine suburban places like shopping centers and office parks, many of which have high vacancies, as well as downtown areas that suffered as retail moved into malls and big box stores on the edge of town.

"A lot of time when you think about urban growth, you think of downtown San Francisco, downtown Oakland and downtown San Jose," Engblom said. "But those make up a very small portion of our land in the Bay Area. We asked how every place type can fulfill its responsibility, to evolve into their best self. There is so much land that is inefficiently used right now."

www.spur.org/sites/default/files/2021-05/SPUR_Rooted_And_Growing_Report.pdf



Emilie Raguso, Berkeleyside, April 28, 2021

The Berkeley City Council set aside millions of dollars to ensure that at least 35% of the hundreds of apartments slated to be built at the city's BART stations qualify as affordable.

Mayor Jesse Arreguín described the \$53 million earmark, which council approved unanimously Tuesday night, as "the largest investment ever in an affordable housing project in the city's history."

The money, a combination of Measure O tax revenue and development fees, is a strong signal to BART and the community that Berkeley sees affordable housing as central to the projects slated to be built one day at the Ashby and North Berkeley BART stations where parking lots now exist.

"This vote is the culmination of years of community planning," Arreguín said in a prepared statement that, in part, thanked voters for approving his Measure O affordable housing bond in 2018. "It's the wisdom of Berkeley's voters that made this possible."

Planning efforts related to BART housing in Berkeley began several years ago following decisions in 2018 by then-Gov. Jerry Brown to ramp up housing requirements within a half-mile of the Bay Area's BART stations. The Berkeley projects are still in the early stages, with project designs not expected until the winter of 2023, according to the current timeline.

Council members said Tuesday night that they see the current 35% target as the floor, not the ceiling, for the inclusion of below-market-rate units in the city's BART projects. Councilmember Sophie Hahn said she would like to see Berkeley find a way to get to 100%. "I like to dream big," Hahn said.

Arreguín pointed out that the city has already set 100% as the goal for affordable units at Ashby BART - but Berkeley still needs to find a way to pay for it. Arreguín said creative thinking would be required to reach the goal.

"We're looking under every mattress, every rock," Arreguín said. "We're not done looking."

To aid in the hunt for that money, council asked staff Tuesday night to explore a November 2022 bond measure focused on affordable housing, street paving and other failing infrastructure in Berkeley. The goal of the analysis, according to the referral from the mayor's office, will be to "maximize and leverage city bonding capacity" to stop the deterioration of the city's infrastructure and fund more affordable units around town.

Tuesday's council vote established that one goal of the bond would be to fund up to 100% affordable housing "at either or both BART sites."

On Tuesday night, BART Board Director Rebecca Saltzman told officials their vote would ensure that Berkeley's BART housing is "truly transformative." And that will be critical amid the Bay Area's ongoing housing crisis, she said.

To help tackle the problem, BART has set a goal of building 7,000 affordable homes on its property by 2040, Saltzman said, adding, "We can't do that alone." BART Board Director Lateefah Simon attended Tuesday's meeting as well, and gave a special shoutout to South

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Guide to Rent Relief in California

How it works

Under state law, landlords with eligible tenants can receive 80% of unpaid rent between April 1, 2020, and March 31, 2021.

The landlord must agree to waive the remaining 20% of unpaid rent during that time.

Eligible renters whose landlords choose not to participate in the program may receive 25% of unpaid rent between April 1, 2020, and March 31, 2021.

Renters can also apply for aid to pay unpaid utility bills and 25% of rent for April, May and June 2021.

Who qualifies

Landlords and tenants can apply for rental relief, but eligibility depends on tenants. Applicants will not be asked about their citizenship status.

Tenants must:

- Have qualified for unemployment benefits, experienced loss of income or incurred significant costs during the pandemic
- Be at or below 80% area median income
- Demonstrate a risk of experiencing homelessness or housing instability by showing a past-due utility bill, rent notice, eviction notice or proof of unsafe or unhealthy living conditions

Some jurisdictions might have lower income requirements.

Where to apply

Visit Housing is Key program at housing.ca.gov or call 833-430-2122.

Every city and county is distributing funds a little differently. Choose your location on Housing is Key, and it will redirect you to another site if they aren't rolling out that program. Berkeley Councilmember Ben Bartlett for his efforts to move the projects forward by seeking every resource he could find.

Berkeley's BART housing projects are still in the conceptual stage, with many important decisions still to come. Officials plan to choose a developer or developers by early next year, at which point more specific details will begin to become available for public review and input.

As per the city's agreement with BART, Berkeley had to "set aside sufficient funding to assure BART, in its sole discretion, that at least 35% of the housing units proposed to be constructed at the BART properties would be deed-restricted to low, very low and/or extremely low affordable housing."

The current designs, according to Tuesday's staff report, use "a 7-story building height at each BART site (estimated at 850 apartments at Ashby and 775 apartments at North Berkeley)." Projections from consultant Street Level Advisors "indicate development at this scale would require approximately \$53 million in City subsidy for 35% affordable housing (estimated at 298 affordable units at Ashby and 271 at North Berkeley)."

"This is the best opportunity in Berkeley to get us to those numbers," said Lars Skjerping, Mayor Arreguín's deputy chief of staff. "We have to be compliant with state law. That's why this is so important." Evidently, plain language, truth, logic, and common sense notwithstanding, no [California] judge will second-guess a finding from a legislative body. It is indisputable that more housing cannot possibly make the housing crisis worse. Nevertheless, the Oakland City Council has proclaimed otherwise and that is good enough. Any alleged nexus, even one which is blatantly unfounded, suffices to support their action. George Orwell, meet Franz Kafka.

Let's look at this a little more closely. Who pays for this fee? ALL the costs of developing housing are of course ultimately borne by the user, be that an owner or a renter. Assuming an historic mortgage rate of between four and five percent, it costs about \$5 per thousand to repay a thirty-year loan. (This is a real cost for borrowed money; a measure of the opportunity cost for fronted cash.) A \$22,000 fee therefore means thirty years of payments of about \$110 a month. In other words, the people who occupy the unit in question will pay over \$100 a month to house someone else. This assumes the impact fee really goes to house someone else, that the \$22,000 is actually used to ameliorate the lack of affordable housing. Whether that is true or not is a story for another time.

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.

DATE	TOPIC	
March 18, 1:00 pm	What's on Deck for State Housing Bills in 2021	
April 15, 2:00 pm	Marijuana, Emotional Support Animals & Other ADA Pitfalls	
May 11, 2:00 pm	Estate Planning Basics for Property Owners	
May 20, 2:00 pm	Managing the Rising Cost of Rental Property Insurance Rates	
June 10, 2:00 pm	How Prop 19 & Other Laws Affect Your Estate Planning Needs	
June 17, 2:00 pm	Mid-Year Berkeley & State Rental Regulation Update	

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

Are you a new member or new to being a landlord? In 2021 we are 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. Check the BPOA calendar for more details.

Rob Fladeboe, KRON, May 11, 2021

It's no secret that rent prices were dropping quickly during the pandemic - especially in major Bay Area cities.

But according to a recent analysis, there are signs the pandemic-weary rental market is edging up just a bit.

After months of decline mostly as a result of the pandemic, the Bay Area rental market appears to be stabilizing, although there is still a lot of uncertainty as the economy reopens.

Even as home prices are red hot, the median rent for a one-bedroom apartment has dropped as much as a quarter in many Bay Area cities, but rents have begun to edge up just a bit.

According to a recent analysis by the national rental website Zumper, a list of Bay Area cities with the most expensive rent for a one-bedroom apartment is topped by San Francisco at \$2,600, followed by Palo Alto, Menlo Park, Mountain View and Emeryville at \$2,200.

Zumper says cities with the least expensive rent include Concord, where a one bedroom apartment

rents for \$1,720 dollars followed closely by Richmond, San Leandro, Hayward and Campbell at \$1,910 dollars.

There are signs the supply of apartments may be edging up a bit as well but that may be tied to the lack of homes for sale and affordable housing in general.

San Jose is somewhere in the middle with a one bedroom apartment renting for about \$2,050 dollars.

Looking back, the largest decline in rent prices include Redwood City, with a year-over-year decline of 3%, followed by Santa Clara, Sunnyvale, Menlo Park and San Francisco.

San Jose saw rents fall about 17% over the past year.

It's not clear to what extent the stabilization of rents is a result of the general health of the economy, but it looks like the decline in rents has ended, at least for now.

The numbers however don't necessarily reflect the issues facing renters who have been unable to pay their rent due to COVID-19, or landlords struggling to make their own ends meet.

MEMBERS ZOOM MEETING JUNE 10TH 2:00PM

Estate Planning: What California Real Property Owners Need to Know

with Paula Leibovitz Goodwin, Partner, Perkins Coie LLP

There will be a Q&A session after the presentation

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

For the safety of our members, our monthly member meetings will remain online through the end of this year.

BPOA WORKSHOPS — Go Beyond the Basics _

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Tenant Opportunity to Purchase Act (TOPA) will create legal rights for tenants to have a first right of refusal upon the sale of the property they reside in.

- Tenants can assign their rights to a non-profit housing developer to make an offer. If tenants waive their rights, non-profits have an opportunity to make an offer on the property.
- If a seller rejects the initial offer from tenants/nonprofits and subsequently receives a third-party contract on the market, then whoever made the initial offer have the right to match the offer and purchase the property.

TOPA can delay transaction time up to a year or more.

- Potentially drastically devalues properties and harms home equity.
- Reduces housing stock which will drive up rents and harm renters.

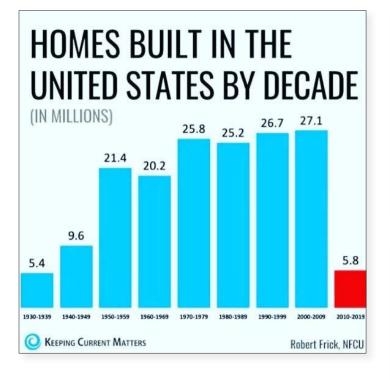
- Prevents a property from going on the free market for sale until every renter waives his or her rights in writing, and creates lengthy, unpredictable time periods in which a sale, or lack thereof can be delayed indefinitely.
- Allows qualified tenants to **transfer these rights to a third party** "non-profit" organization for each potential sale of property.
- Gives special interest developers first dibs on properties and prevent black owners from keeping properties in black hands.
- TOPA takes away the ability for owners to have a say in who they leave their own homes to such as to friends at a reduced price or to relatives like nephews and nieces.

QUOTE OF THE MONTH

The American Republic will endure, until politicians realize they can bribe the people with their own money.

— Alexis de Tocqueville





BRHC Corner continu

continued from page 3

longer have emergency powers to override local law that was ushered in via the voters. Stay tuned for more twists and turns!

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.

What else might be coming down the pike that will impact my business?

Once we get a little bit more "back to normal" as it relates to the pandemic, we do expect to see the City Council start preparing for more legislation. They still have a lot to do in order to come out of the pandemic, but we anticipate that they will be looking to the 2022 ballot and preparing to do things such as taxing vacant units. While there is no guarantee we can keep bad policy away, rest assured we will continue to be here to protect your investment and your rights as property owner.

To lend your support to the Berkeley Rental Housing Coalition, contact Executive Director Krista Gulbransen, krista@bpoa.org or (510) 304-3575.



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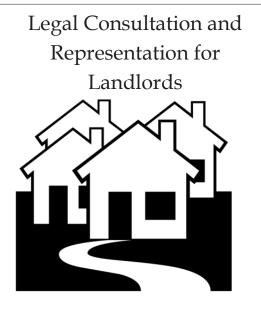
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Berkeley Property Owners Association

MEMBERS ZOOM MEETING

Thursday, June 10th, 2:00pm

Estate Planning: What California Real Property Owners Should Know

Paula Leibovitz Goodwin, Partner, Perkins Coie LLP

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

LANDLORD 101 SESSIONS:

Are you a new member or new to being a landlord? In 2021 we are hosting a Landlord 101 for new rental 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. Check the BPOA calendar for more details.

