NOV 2020



## 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

## Making Your Properties Covid-Safe

Mark Tarses, President, BPOA

What are you doing to make your properties Covid-safer? Are you doing anything? You should be doing things right now to show your tenants that you care about their health and safety. Do you want your tenants to think — and with justification — that you don't care?

- 1. If your building has interior hallways, you should have either a hand wipe dispenser or hand sanitizer dispenser on a stand near the entrance to the building and another one next to the elevator. They sell these dispensers at Amazon, and hand sanitizer is only \$20 a gallon delivered. That's a lotta hand sanitizer!
- 2. You should tell your cleaning service to use disinfecting cleaners when they are cleaning the common areas in your building and vacant apartments. I recommend Lysol cleaner. Bleach-based cleaners work, but they can leave a room or apartment smelling like an overchlorinated swimming pool, and bleach can damage the paint on your walls. Using a disinfecting cleaner costs nothing extra. Wouldn't you like to be able to say to a prospective tenant that the apartment he is looking at was cleaned and disinfected? Thorough cleaning of vacant apartments is more important than ever because prospective tenants have so many vacancies to choose from.
- **3.** Put a sign near the front door of your building telling people to put on face masks and socially distance themselves. They sell a variety of large, colorful Covid wall posters at Amazon. A package of five of them costs under \$20.
- 4. Give your tenants infrared no-contact forehead thermometers. I give them to all my tenants, one per unit. The price of these thermometers has dropped tremendously over the past year. A year ago, they sold for \$60 to \$100, but now they are selling them on Amazon for \$20. You will get a lot of goodwill by giving these to your tenants. Your tenants will remember that you gave them non-contact thermometers! Besides, everyone should have one of these, especially with flu season coming. Make sure the infrared thermometers you buy are for human use. A lot of infrared thermometers are made for industrial use only. They will usually say 'not for human use.' I own an industrial infrared thermometer. I make chocolate, and I use it to temper my chocolate. I use a different thermometer to take my temperature.

#### **SPECIAL EVENT!**

# Annual Member Meeting & Board Elections Zoom Event

Soara Elections Zoom Event

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

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

#### Inside this Issue

Editorial	Page 2
Coalition Corner	Page 3
Measure Z Divides Alameda Voters	Page 4
Hard Presidential Triva!	Page 5
Texas Investor Buys Big in Oakland	Page 6
New Lease-breaking Strategies Taking Root?	Page 7
Workshop Calendar 2020	Page 8
Monthly Zoom Info for November	Page 10
News from the Rent Board Website	Page 11
Presidential Donations by Berkeley Zipcode	Page 12
Quote of the Month	Page 12
Services & Businesses	Page 13

# O N T H L Y



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

#### **Board of Directors**

Mark Tarses, President
Sid Lakireddy, Treasurer
Jon Vicars, Vice President
George Soengen
Richard Genirberg, Secretary
Jim Smith
Will Flynn
Paul Tuleja
Albert Sukoff
Kathy Snowden

Editor:

Albert Sukoff

Advisor:

Michael St. John

Our Office Location:

2041 Bancroft Way, Suite 203

Berkeley, CA 94704

Phone 510.525.3666

Email bpoa@bpoa.org

Website http://www.bpoa.org

#### Office Hours:

Open Monday – Friday, with dedicated oneon-one appointments for your convenience.

#### 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 Good Idea Dies on a Beach in India

Albert Sukoff, Editor

This newsletter will get to you too late for commentary on the election process and too early for reflections on the results. And so, something completely different...

I had been obsessing about cruise ships for the previous several weeks. A friend sent me an article in which Oakland City Councilperson Rebecca Kaplan suggested using old cruise ships as homeless shelters. In this day of highly polarized politics, I was loathe to credit an uber-progressive with a good idea, but I was intrigued. One of the businesses most negatively affected by the pandemic is the cruise industry. Hundreds of ships are idle and some are being sent to be dismantled prematurely.

Shipbreaking is a horrendous operation. Since WWII, it has moved from cheap-labor country to cheaper-labor country. Currently, India, Pakistan, and Bangladesh do most of the work. They get the business because they are lax on environmental controls and labor laws.

You can watch a video of this process on any number of YouTube postings. The ships, at 1000 feet or even more, are revved up to speed offshore and beached along a designated coast in one these southeast Asian countries. They are then accosted by an army of largely barefoot men, dressed in shorts and T-shirts and equipped with acetylene torches.

The process is an ecological disaster. To avoid liability, shippers sell the ships to third parties who reflag them and then resell them to the breaking yards. There is some heavy machinery involved but mostly these monster vessels are cut to pieces small enough to be handled by the workers. There are few worker protections and death and injuries are just part of the risk for workers with few other employment options. It is a dirty process.

Worldwide, about 800 ships a year are dismantled. Although container vessels and oilers are more common than cruise ships, this is pretty much the fate for all large ships. They have a 30-35 year lifespan at the end of which they still have a value as scrap metal. Some are sunk to provide an artificial structure for coral reefs, but that requires expense for cleaning and handling and produces no income. Value varies with size, but roughly a ship facing the scrap yard is worth about \$4M.

At any given time, there are dozens of cruise ships for sale. As they near the end of their useful life, prices not much north of \$4M are possible. One can actually buy a ship which would cost as much as a half billion dollars to recreate for as little as \$5M. There are many options under \$50M. The whims and trends in the cruising business are such that serviceable ships are frequently retrofitted, assumably to extend their life, but mainly to increase their marketability. There are shipyards that do this. They are mostly in so-called developing countries where labor costs are significantly lower than those in Europe and North America.

continued on page 9

## \* 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.

#### What Happens If ...?

We are getting a lot of questions about what will happen if a particular ballot measure passes or fails? By the time you read this, most all of you will (and should have!) voted. We likely won't know the outcome of many election issues for weeks to come, but we have a pretty good of idea of what comes next once the results are certified.

#### What if Prop 21 passes?

Prop 21 is billed as the "Rental Affordability Act." It would be a straight replacement of the current state law, the Costa Hawkins Rental Act of 1995. If passed, across California the bill would allow a local government's authority to enact rent control. For cities that only recently enacted AB 1482, this could change the makeup of their rent regulation law. But in Berkeley, where rent control has been in existence since 1980, the repercussions of the city's ability to act is far more potentially devastating. If passed, Berkeley would likely:

- Place all units possible under local rent control. The only units they would not be permitted to control are new construction that is less than 15 years old and single family homes in which the rental housing provider owns no more than two single family homes (note: Prop 21 language does not say whether the maximum two homes can be inclusive of properties outside California). This means all other units would be subject to the Allowable General Adjustment rate. We do not believe they would have the power to put certain Accessory Dwelling Units and Golden Duplexes under rent control as those exemptions are written into the Rent Stabilization Ordinance which can only be changed by will of the voter.
- Restrict how much you could raise the rent between tenancies. Prop 21 says that a city can be no more restrictive than what is outlined in the measure which is 15% over the first three years after a vacancy. In Berkeley we know that it is likely they will immediately implement the 15% cap. This is going to be especially difficult for those who may have had a long-term tenant leave during the pandemic and have been unable to fill their tenancy. In that scenario, the passage of Prop 21 could allow for the Rent Board to set the rent ceiling at whatever the last rent on file at the Rent Board was.

The biggest question we get asked is whether Berkeley would roll rents back to the time at which the Rent Stabilization Ordinance was ushered in by the voters? You might be asking yourself, "How in the world could the city roll rents back to 1980?" This is because when Costa Hawkins was implemented in 1996, the city never took the ordinance back to the voters to make modifications that accounted for the state law. When Costa Hawkins said localities could not enforce vacancy control and must allow owners to raise the rents to market upon a vacancy, the city just stopped enforcing the vacancy control law rather than go back to the ordinance and change it. This means that the city could technically decide to reset rents to 1980 levels (plus all applicable Annual General Adjustments).

We are doubtful this would happen and especially so in light of all the pandemic has done to negatively impact a municipality's revenue. To reset rents to such low levels would decimate the city's tax revenue. In 2016 Measure U1 passed which raised the Business License Tax on rental housing owners of more than five units. That tax increase has resulted in an additional \$5m+ per year to the city's General Fund. With rents dropping and vacancies soaring due to the economic uncertainty of today's world, the city is already projecting major losses in revenue due to businesses shutting down. It would be hard to imagine how they could continue to survive if they also cut back revenues related to gross receipts tax on rental income.

#### What if Measure MM passes?

Measure MM dictates changes to the Rent Stabilization Ordinance. Every election the Rent Board proposes multiple modifications to the Ordinance. If passed, this measure would:

• 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. While the fee will not be the full \$250 that most of us pay for our rent-controlled units, the units will be required to report information on the tenancies just like rent-controlled units are.

continued on page 10

### Multifamily Housing Plan Splits Alameda

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

#### Island to vote on measure that would lift ban

"We have been talking

about Article 26 since it.

passed 47 years ago," said

Zac Bowling, a homeowner

and campaign organizer

for Yes on Z. "It's been

the third rail of Alameda

politics for a long time."

The island city of Alameda is proving that no city is an island when it comes to the Bay Area's fierce growth and housing development battles.

The East Bay city — population 78,000 — is embroiled in a full-throttle ballot measure fight over whether to repeal a 47-year-old City Charter amendment that restricts multifamily development. A ballot measure, Measure Z, would open up more of the city to multifamily buildings, adding density and foot-traffic near shopping and public transit.

The fight has turned Alameda's front lawns into a thicket of competing signs and raised questions about which side best reflects the character and values of a city that has seen the cost of housing soar as more and more families are attracted to its bay views, kid-friendly vibe, walkable shopping districts, and rows of Victorians and Craftsman houses.

Proponents of Measure Z argue that the restrictive 1973 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 restrict-

ing 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 state.

Opponents say that the Charter amendment — a response to the demolition of historic Victorian homes in

Residential Leasing Company



► Kimmi Kataria, Broker CalBRE # 01185967

**A.S.K. RENTALS** 

TEL.: 510.524 2985 e-mail: askrentals@gmail.com 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.

"We have been talking about Article 26 since it passed 47 years ago," said Zac Bowling, a homeowner and campaign organizer for Yes on Z. "It's been the third rail of Alameda politics for a long time."

Initially the law prohibited all construction of multifamily housing, but it was amended in 1992 to allow some multiunit construction as long as it was limited to a maximum of 21 units per acre. Finally in 2012 the city, under pressure to meet state housing production requirements, passed additional zoning allowing some higher density on parcels of more than 10,000 square feet.

While the workarounds have allowed the city to add density in select places — a 1,200-unit project is under construction at Alameda Point, formerly a Navy air station — the restrictions still make it impossible to

add apartments around the city center, according to the two elected officials co-sponsoring Measure Z, Alameda Mayor Marilyn Ezzy Ashcraft and Vice Mayor John Knox White.

Ashcraft, a former planning commissioner, said developers time and again approach the city to build on vacant lots, but the density limitations make development unfeasible. One property owner wanted to build housing over a CVS pharmacy, but the 10 units he would be permitted to build were not enough to pay for the project. Another property owner had been trying to build on a center city lot at Taylor and Webster streets, but the zoning restrictions killed it.

"Voters have an opportunity to correct a 47-year-old mistake," Ashcraft said. "What we are leaving on the table, what is going unbuilt, is smaller residential developments in our commercial transit corridors."

continued on page 5

#### For Election Week, Hard Presidential Trivia...

- 1. Who was the only president for whom English was not his first language?
- 2. In what year were three presidents born in three consecutive months?
- **3.** Thomas Jefferson and John Adams both died on July 4, 1826, the 50th anniversary of the signing of the Declaration of Independence. What other president died on July 4th?
- 4. Which president weighed almost three time as much as what other president?
- **5.** Who was present at three presidential assassinations?
- **6.** Who was the first president born in the United States?
- 7. On Star Trek, which president is cited in an old Vulcan proverb?
- **8.** No only child has ever been president. TRUE or FALSE?
- 9. Who was the only president to whom a patent was granted?
- 10. Which president had the most children? How many?
- **11.** Who was the only president to head a labor union?
- **12.** Who was the only president to earn a PhD? answers on Page 7

continued from page 4

#### Measure Z Has Everyone Taking Sides

Opponents of Measure Z say the city has found a way to add density, including affordable housing in places, that preserves the city's character and doesn't overwhelm its infrastructure. The city has more than 4,000 units in its pipeline, most of it at three large waterfront projects.

City Councilman Tony Daysog, the one member of the council who voted against putting Measure Z on the ballot, said the argument that Measure A has stymied diversity is not reflected in reality. The city was over 90% white in 1973, and today it is 50% white, 31% Asian, 11% Latino and 6% African American, according to U.S. census figures.

"Our side believes that by keeping Article 26 growth will happen, but it will happen on our terms at a moderate pace," said Daysog. "Without it growth is going to happen on terms set by the developers."

Opponents also argue Alameda needs to be more careful about growth because it is an island with just five ways to get in or out. Daysog pointed to a proposed eight-story complex that would add 1,200 apartments near the Alam-

eda South Shore Center, a mall. "That is the poster child of the type of runaway growth we want to stop," he said. "We are not San Francisco."

While proponents of Measure Z say they are not interested in losing any existing historic buildings, some opponents still worry that could occur. Joyce Boyd, who lives in a three-unit Victorian she restored 19 years ago, called Article 26 a "firewall" against speculators and unlimited development. She also said that getting rid of it is unlikely to produce any more affordable housing or solve income inequality issues.

But Measure Z supporters say the lack of new housing supply has forced out residents. Bowling said he was priced out of town for a while before he was able to buy a home a few years ago. But he worries his mother, who is a renter, will be squeezed out by rent increases.

"It's very sad — everybody in Alameda has friends who have had to pack up and move away because of the costs," Ashcraft said. "We haven't kept up. It's taken its toll. We need to be building more multiple dwelling unit projects."

### Texas Investor Scoops Up Eight Oakland Apartment Complexes

The Mercury News, October 1, 2020

A big-time real estate investor from Texas has grabbed several apartment complexes collectively containing hundreds of apartment units in choice Oakland neighborhoods, an indication that some major players see plenty of upside in the East Bay's largest city.

Invesco Advisors, acting through an affiliate, has bought eight apartment buildings on the edges of downtown Oakland and near Lake Merritt, according to Alameda County property records.

"This is a very interesting play," said Edward Del Beccaro, an executive vice president with TRI Commercial, and Bay Area managing director for the commercial real estate firm. "Invesco is a major investor, big guys out of Dallas."

The property purchases are primarily near in or near downtown Oakland, the vibrant Uptown district, the Pill Hill section, and Lake Merritt area of the city, county records show.

"Kaiser and Sutter are both expanding in the areas of the purchases," Del Beccaro said. "These apartments are all in upscale parts of Oakland. The neighborhoods are going through upgrades and improvements."

All told, the Invesco affiliate paid \$79.2 million for the eight apartments, with prices ranging from about \$20 million for the most expensive apartment complex to just under \$5 million for the least expensive, county documents filed on Sept. 24 show.

The apartments together contain 255 units, according to information gathered from the website of Mosser Cos., a San Francisco-based real estate firm that sold the eight residential properties.

The addresses of the eight apartment complexes are 1425

Harrison St., 265 Vernon Ave., 406 Van Buren Ave., 444 28th St., 450 28th St., 454 34th St., 351 Lester Ave., and 509 Sycamore St., according to public records.

Alameda County records showed a range of prices for the individual properties.

- 1425 Harrison St., a 61-unit apartment complex in downtown Oakland's Lakeside area, paying \$19.9 million.
- 265 Vernon Ave., with 44 units, was bought for \$15 million
- 406 Van Buren Ave., with 30 apartments, traded for \$9.5 million.
- The prices for three apartment complexes in or near the Uptown area or North Oakland district: 444 28th St., 34 units, \$9 million; 450 28th St., 30 units, \$8.7 million; 454 34th St., 24 units, \$6.3 million.
- The smallest apartment complexes: 351 Lester Ave., 18 units, \$6.2 million; 509 Sycamore St., 14 units, \$4.6 million.

San Francisco-based Mosser says the company remains entrenched in Oakland and still owns numerous apartment complexes in the East Bay city.

"Mosser remains deeply committed to Oakland," said Neveo Mosser, chief executive officer of Mosser. "We will continue to invest in the city and deliver dedicated and responsive property management for the families we serve in our 12 other properties."

The company has operated in Oakland for decades.

"Mosser has been at the heart of the Oakland metropolitan community since the 1970s," Mosser said.



#### Fire & Water Damage Recovery

- Water & Fire Remediation
- Crime Scene / Trauma Clean-up
- Animal Droppings
- Board-Ups Mold Sewage
- Contents Cleaning Storage
- Total Loss Inventories

24/7 Emergency Services

800-886-1801 waterdamagerecovery.net







### New Lease Break Tactics Taking Hold in Berkeley?

Since the start of the pandemic, especially due to the University's decision not to resume in-person classes, lease breaks are on the rise. By June, students who had signed leases in the Spring, thinking they would be returning to school, were now trying to break their leases.

This resulted in the City Council's attempt at legislation that they thought would allow tenants to break their leases without any financial penalties. This turned into a widespread campaign of misinformation where students were led to believe they would not be held responsible for the remainder of the lease they had signed. Suffice it to say, this resulted in extraordinary mayhem and confusion that took weeks to untangle.

Over time, the city and Student Affairs Legal department clarified that owners had a right under California Civil Code 1951.2 to mitigate any losses related to a lease break. This can include lost rent, rent differentials if you are forced to rent the unit for less than you originally contracted for, and fees associated with finding replacement tenants.

But just when we thought the dust has settled, we are noticing an increase in creative ways in which tenants are trying to get out of leases. A few students have engaged lawyers (that mostly appear to operate out-of-area law practices and in areas of law not associated with rent regulations) to threaten legal action if an owner does not release them from the lease.

These tactics include claiming such issues as:

- Habitability problems "the unit was not habitable, therefore we could not move in."
- Tenant safety issues "you didn't tell us the tenant above us was a disturbance and might harass us."
- Improper response to repair requests "We notified you of a dangerous situation, but you did not fix it in a prompt fashion."

 Mold issues — "there's mold and you haven't abated it"

Our industry is accustomed to seeing attempts to stave off an eviction through claims of habitability, but it is rare to see this tactic used as a reason to invalidate a lease. We always recommend addressing repair requests (especially those that fall under issues of habitability) in a prompt manner. This helps reduce the chances of a tenant being able to claim habitability problems when you are in the unfortunate situation of having to evict.

If you find yourself in a lease break situation where the tenant is not cooperative or does not seem to understand their obligations under state law, please contact BPOA for legal resource recommendations.

#### Presidential Trivia Answers

12. Woodrow Wilson

פַחוַוְק

11. Ronald Reagan was president of the Screen Actors

10. John Tyler; 15

9. Abraham Lincoln

8. Surprisingly, this is true

could've gone to China."

7. According to Spock, the Vulcans say: "Only Nixon

6. This would again be Martin Van Buren

5. Robert Todd Lincoln.

Monroe weighed not much over 100 pounds.

4. Taft weighed well over 300 pounds; at 5'4", James

**3.** James Monroe in 1831.

วรทธิทษ

2. 1946; Trump in June, Bush in July, and Clinton in

1. Martin Van Buren; He grew up speaking Dutch.

#### **Beacon Properties**

Careful, Conscientious Property Management

Aaron Young, Broker

466 40th Street, Oakland CA 94609

aaron@beaconbayarea.com

## House Cleaning Services



Maricruz Bernal 510.355.6201

bernarlbernal69@gmail.com

Specializing in vacant unit cleanouts, showings prep, multi-unit common areas — and recommended by a long-time BPOA member

Thorough • Reliable • Detail-Oriented • 10+ Years

### New Study: Berkeley Rents Decreased 22% since 2019

#### Tessa McLean, SFGATE, June 17, 2020

Rental prices in the city of Berkeley were down 22.58 percent in April 2020 when compared with April 2019, according to a new study from Apartment Guide.

The comparison was for one-bedroom apartments, with the average one-bedroom rental price coming in at \$2,457 in April 2020.

It's worth noting that April 2020 was during the heart of the coronavirus pandemic when California was still under a strict shelter-in-place order. Thus, it's unlikely that many people were looking to move apartments unless they had to.

New builds could have also played a factor.

"From what our data shows, there are more available units in 2020 compared to 2019, so supply and demand could play a factor in some of the price changes," said Brian Carberry, managing editor of Apartment Gude. "In addition, the average square foot of apartments in Berkeley is significantly less in 2020 compared to 2019, which

leads me to believe the additional units may be more like micro-apartments, which tend to have a cheaper price tag. More of these available units on the market could be driving down the citywide average as well."

Zumper, another real estate site that tracks rental prices, currently lists the average one-bedroom for \$2,400, a decrease of one percent from May.

Another apartment rental site, RentCafe, puts the average rent for an apartment in Berkeley currently as \$3,284, a 4% increase compared to the previous year when the average rent was \$3,165.

Zumper recently reported that rents for one-bedroom apartments in San Francisco have dropped by 9.2% since June 2019. That's the biggest decline since the rental site started recording such data in 2015, and brings median one-bedroom prices down to levels not seen since March 2017.

All our monthly member meetings have been moved online for the foreseeable future. Please note that during these uncertain times, the meeting dates and topics listed here are just our best estimate of what's going to happen, and when — always check the website for the most current information.

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

DATE	TOPIC
Wednesday, March 4	Rental Housing Provider 101: A Crash Course for New Members
Saturday, March 7	The Tax Workshop: Preparing Your Rental Property Taxes
Saturday, April 4	CANCELLED
Wednesday, May 13	POSTPONED
Saturday, June 6	Rental Housing Provider 201: Beyond the Basics
Wednesday, August 12	ADA & Other Discrimination Pitfalls
Wednesday, September 9	The 2020 Election Impact on Rental Housing Providers
Wednesday, September 30	Rental Housing Provider "Open Mike" Night
Saturday, October 22	Estate Planning Basics for Property Owners
Thursday, November 5	Topic to Be Announced
Thursday, December 10	BPOA & BRHC Annual Holiday Dinner — CANCELLED

Here then, to my mind, was the opportunity: an adaptable physical structure which would cost hundreds of millions to reproduce available for a mere \$5M or \$10M.

The idea is simple enough. Take an older, seaworthy ship, over- designed for stationary use, and reconfigure it for a simpler mission. Take every two or three or four cabins and make an apartment. Add more apartments in the common areas. I feared that the huge area below the water line — filled with engines, kitchens, laundries and crew quarters — was useless but upon reconsideration — voila — parking!

A 600-800 foot ship has a small enough beam that anywhere on the ship is close enough to an exterior wall to get natural light. It is also comfortably wide enough for a double-loaded parking garage. The physical issues of conversion aren't simple but they aren't all that difficult either.

You can learn anything on-line. I learned that a welder in India makes about \$140/month. I never got as far as a reliable estimate of costs but I figure you could get 300 units out of an 800-foot ship at a production cost not much north of \$100k a pop. I am convinced that the economics of conversion are favorable.

Ship placement is another issue. It is of course critical. Conversion would only work if placement were possible in a housing market which would support the development and placement costs. But there are deep water ports all around the world where this would work and many of them have strong housing markets.

The critical problems in turning cruise ships into permanent housing are not physical or economic, but political. With very different missions, it is understandable that ocean-going ships and land-based buildings are subject to very different codes.



Special insurance programs for landlords and apartment owners with multiple highly competitive carriers.



• Independent • Professional • Friendly • Knowledgeable •

Call or email Henry Yang: (925) 247-4356 henry@totalintegrityinsurance.com Lic#0G94464 For example, the minimum height for habitable space under the uniform building code is seven-and-a-half feet. The ceilings in many cabins on cruise ships are less than that. There are many specifications which might conflict, including stairs, fire suppression, egress requirements, hall widths. Some may be unsurmountable.

Then there are the stupid rules. A local developer building module housing in China had to fly US-credentialed installers to China to install sprinklers. The sprinklers not only had to meet US codes; they had to be installed by US technicians. This is insane. A ship could — likely would — have a perfectly functioning sprinklers system which would have to be duplicated. You can only handle so much of this.

The code discrepancies lead to a basic question: will the ship be docked in a major port in a major city, or will it be landed, essentially turning the boat in real estate. Either one has issues.

Permanent docking would at least require approval from local authorities. More likely multiple approvals would be needed from multiple authorities. This is a chicken-andegg problem. Do you convert a ship for \$50M and wait for Oakland, California, BCDC, the Coast Guard and a half dozen other agencies to approve? Or do you take two years to get approvals and then find a ship? Expensive and dangerous either way.

After a couple of weeks of research, facilitated by the Covid-19 quarantine, I gave up on converting cruise ships to housing. I still think it is a great idea which solves two problems at once. In the course of my research, I found this idea has been around for years and yet there are no large passenger vessels which have been converted to permanent housing. If a good idea can't reach fruition over a suitable stretch of time, I figured I've wasted enough of mine.

Ironically, Ms. Kaplan may have an advantage. The government is one entity that can ignore government rules. A cruise ship would need minimal physical change to serve a housing for the homeless. A 150-square-foot cabin might not do too well in the market, but it is way better than a cardboard box or a tent on a concrete sidewalk. Also, the boat wins hand-down in the aesthetics department. There would be very high maintenance expenses and some federal maritime rules might take some skirting, but at \$10k a bedspace, it might just work. Good luck, Rebecca.

- Permanently codify that non-payment of rent due to an emergency declaration is not a reason to evict. While this sounds awful, it would not be an automatic occurrence, even with an emergency declaration. It would still require the City Council to craft and vote through a moratorium to prohibit eviction for non-payment due to the impact.
- Remove 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. Proponents of Measure MM claim that current law technically allows for a multi-unit property to add an ADU to the parcel which would result in the automatic removal of rent control and eviction protections for all units on the parcel. While we argue that the likelihood of a multi-unit building adding an ADU to the parcel, let alone the likelihood that an owner would live on-site at a multi-unit property, tenant activists want to close this so-called "loophole."

Was there a campaign to Vote No on Measure MM?

Since the vast majority of this ballot measure does not directly affect most BPOA members, we chose not to run an active campaign against the Measure. While we'd prefer not to see our fellow rental housing providers fall under the grips of the Rent Board we can see some benefit in others being required to pay a registration fee as we do and have to deal with the requirement to register their rents. Perhaps with more owners feeling the squeeze, they will realize how it important it is to support our organization so that we may fight against these overreaching policies.

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.



## RELIANCE PARTNERS

- Sell your property for the best possible price
- Small details make a difference

Grace Sun 626-500-7082 (Berkeley)

Languages: English & Chinese ruobilin2009@hotmail.com

Wechat 微信: ishowxiu License: 01945799

2095 Rose Street, Unit 100, Berkeley, CA 94709

## MEMBERS ZOOM: THURSDAY, NOVEMBER 5TH, 2020

## Topic To Be Announced

check the website for late-breaking topic announcements!

2:00pm Workshop Start

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

## Find the linked documents at https://www.cityofberkeley.info/rent/and click on the COVID-19 button in upper righthand corner.

#### **COVID-19 Tenant & Landlord Resources**

There is a state law, the COVID-19 Tenant Relief Act, and a local law, Berkeley's Eviction Moratorium, that give Berkeley tenants eviction protections during the COVID-19 pandemic. The resources below advise Berkeley landlords and tenants on their rights and responsibilities under these laws. (Go to https://www.cityofberkeley.info/rent/ and click on the COVID-19 button in upper righthand corner to access links to documents)

COVID-19 Fact Sheet: Resources for Berkeley Tenants and Landlords

NEW! COVID-19 Tenant Relief Act: Important Dates (info graphic)

**UPDATED!** Tenant Notice of Inability to Pay Rent

California Department of Real Estate: Tenant Protection Guidelines

California Department of Real Estate: FAQs 2020 Tenant Relief Act

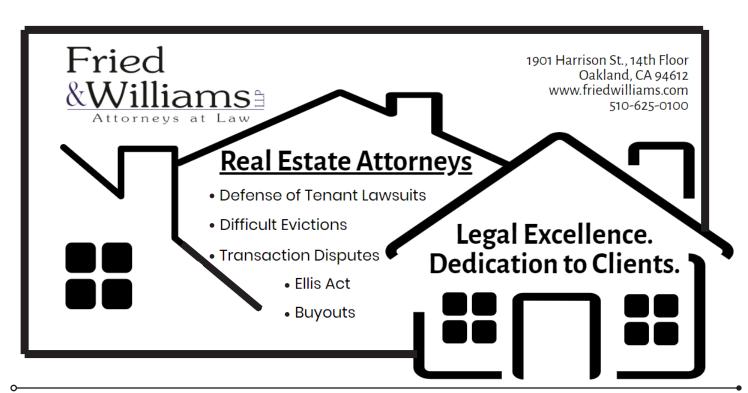
Berkeley landlords: the sample 15-day Notice to Pay Rent or Quit available from the state must be modified to include Berkeley-specific requirements.

#### Lease Breaking

City Ordinance No. 7,720-N.S. allows tenants to end leases early without penalties for COVID-19 related financial reasons, or if the tenants are students at a school that has cancelled or limited in-person classes. This right does not end any liability under state law, particularly Civil Code Section 1951.2, but tenants may negotiate with their landlords to end liabilities.

#### Discounted Rent Agreements

For tenancies that began on or before September 1, 2020, landlords and tenants can agree in writing to a reduced rent amount without affecting the base rent ceiling for the unit. There are specific requirements for these agreements (see the Rent Board website for more information.)



### Presidential Campagn Donations 2020 by Berkeley Zip Code

Table shows number of donors and amount of donations to both presidential campaigns from April 1 to Oct. 14, 2020 by Berkeley zip code. Source: Berkeleyside/New York Times data

Zip Code	Biden \$	Trump \$	Biden Donors	Trump Donors
94707	1,685,393	11,847	2,105	48
94705	1,251,596	17,247	1,855	40
94708	781,087	6,773	1,669	30
94703	420,244	16,719	1,674	40
94706	353,646	8,761	1,480	40
94709	308,870	2,688	908	23
94702	244,957	9,110	1,403	24
94704	161,621	6,816	663	33
94710	144,457	3,083	605	22
94720	7420	10	42	>5
TOTAL	5,359,291	83,054	12,404	300

### **QUOTE OF THE MONTH**

He's all hat and no cattle.

— Texas Adage

When your investments are worth **millions** of dollars, you need a team with a **proven** track record and a platform that you can **trust**.

Over \$400,000,000 in team transactions since 2014.

3 Dedicated professionals working for you.

We've got strength in numbers.

#### **RECENT SALE**

Property: 2631 Durant Avenue, Berkeley

Price: \$11,000,000

Description: Shovel ready 56 unit development half

block from campus

CBRE

#### **EAST BAY MULTIFAMILY SPECIALISTS**



KEITH MANSON
Senior Vice President
Lic # 01490046
+1 510 874 1919
keith.manson@cbre.com



ZACHARY GREENWOOD
Senior Associate
Lic # 01960296
+1 510 874 1918
zachary.greenwood@cbre.com



ELEANA HSU
Sales Assistant
Lic # 02048640
+1 510 874 1914
eleana.hsu@cbre.com

If you are looking to sell or purchase apartment buildings, we can help you evaluate your investment strategy, understand market trends and get the highest price from your portfolio. Reach out to find out how. We're here to help.

## **Business Directory**

Serving Berkeley for 25 years



Property Management and Rental Services

We can help you find qualified tenants!

2980 College Ave. Suite 5, Berkeley, CA 94705 (510) 883-7070 ~ info@erihomes.com ~ www.erihomes.com

BOSS MECHANICAL

## HEATING & COOLING RESIDENTIAL & COMMERCIAL

#### **Bob Sloat**

**OWNER** 

OFFICE 510 965-9600
CELL 510 812-4051
FAX 510 965-9701
EMAIL bob@bossmechanical.com

6255 ARLINGTON BLVD.

6255 ARLINGTON BLVD. RICHMOND, CA 94805 LIC# 802730

#### **BAY AREA CONTRACT CARPETS**

747 Independent Road, Oakland

(510) 613-0300

Carpet & Linoleum
Residential & Commercial
Serving the Bay area since 1971

www.bayareacontractcarpets.com Contractor's License Number 714467 Legal Consultation and Representation for Landlords



Law Office of Michael M. Sims 2161 Shattuck Ave., Suite #232 Berkeley, CA 94704 Tel: (510) 848-6601

## PREMIUM PROPERTIES

SAM SOROKIN BROKER & PARTNER

CRAIG BECKERMAN BROKER & PARTNER REAL ESTATE SERVICES

- PROPERTY MANAGEMENT
- ◆ LEASING
- INVESTMENTS
- CONSULTING
- ◆ SALES & BROKERAGE
- DEVELOPMENT

6522 TELEGRAPH AVENUE OAKLAND, CA 94609 510.594.0794 MAIN

WWW.PREMIUMPD.COM

CA BRE LICENSE #01120349

Tax planning and preparation for landlords

#### Lance W. Lee

**Certified Public Accountant** 

1300 Clay Street, Suite 600 Oakland, CA 94612

510-564-7203 info@lwleecpa.com www.lwleecpa.com

## **Business Directory**

## BORNSTEINLAW

**BAY AREA REAL ESTATE ATTORNEYS** 

East Bay / San Francisco Offices

#### Areas Of Practice

- Immediate Evictions
- Tenant Buy-Outs Agreements
- Rent Board Hearings
- Nuisance/Breach of Lease/Non-Pay
- Owner Move-In & Relative Move-In Terminations



482 W. McArthur Blvd Oakland CA 94611

Daniel@bornstein.law (415) 409-7611

#### www.bornstein.law

### Jon Vicars Realtor

Over 25 years selling Berkeley Apartments

BPOA member since 1982

(510) 898-1995

jon@vicarscommercial.com



#### **MULTIFAMILY SALES SPECIALIST**

Sell your apartment property for optimal value.
Use our proven services.

COMMITMENT TO EXCELLENCE.



Joey Wang 510.592.4244 joeywang@kwcommercial.com CARE Lic. 01890931

201 N. Civic Dr. #130 , Walnut Creek, CA

www.kwcommercial.com

## THE SHEPHERD LAW GROUP

Affordable attorney with landlord/tenant expertise.

We will work with you to devise a workable solution to solve tenant issues.

Dependable, skillful and caring approach to tenant problems

## NOT YOUR TYPICAL ATTORNEY

Call and Hear the Difference

Michael Shepherd
3542 Fruitvale Ave. #316
Oakland, CA 94602
theshepherdlawgroup@netzero.com

Tel: 510-531-0129

## **Business Directory**

Residential Leasing Company



► Kimmi Kataria, Broker CalBRE # 01185967

#### **A.S.K. RENTALS**

TEL.: 510.524 2985 e-mail: askrentals@gmail.com

### ST. JOHN & ASSOCIATES, LLC

Property Management Consultants
Rent Control . Condominium Conversion . Real Estate Planning

Michael St. John, Ph.D., Principal Consultant Andrew W. Fingado, Associate Consultant Marti Dion, Associate Consultant

> www.stjohnandassociates.net 2115 West Street, Berkeley, CA 94702 (510) 845-8928 . North Coast Office (707) 937-3711

## SHAW 🙃

PROPERTIES Property Management

Judith M. Shaw, Broker Mahasty F. Lebastchi, Broker Lic. # 1207977 Lic. #1329248

2119 West St., Berkeley, CA 94702

tel: 510.665.4350 fax: 510.665.6005 www.shawprop.com

#### **HOLL LAW & MEDIATION**

BENJAMIN J. HOLL Attorney/Mediator

Tel 415-324-8860 Fax 510-665-6005

Email benjamin@holl-lm.com

369 Pine St., Suite 420 San Francisco, CA 94104

www.holl-lm.com

#### JUST FIX IT

Expert Computer Support & Repair
Website Design & Development
Site Administration

MICHAEL ROSS 510.549.9912 michael@rosstechassociates.com

Twenty Years of Just Making Things Work



#### COMPLETE ELECTRIC

www.complete-electric.org Lic.# 966283

> Clay Bartley Master Electrician (510) 325-7462

cmpltelctrc@gmail.com

Products and services advertised herein are not warranted, expressly or impliedly by the publisher or by its board of directors.

The publisher takes no responsibility should the quality of the products and services not be as advertised.

Contributions or gifts to BPOA are not tax deductible as charitable contributions for federal or state income tax purposes, but are generally deductible as trade or business expenses. Please note that no portion of payments to BPOA are made to lobbying efforts or campaign committees. For further information, please consult a tax professional or the Internal Revenue code.

## ...NOR SHALL PRIVATE PROPERTY BE TAKEN FOR PUBLIC USE, WITHOUT JUST COMPENSATION.

5TH AMENDMENT, US CONSTITUTION



PRESORTED STANDARD US POSTAGE PAID OAKLAND, CA PERMIT #2508

## **Berkeley Property Owners Association**

### **MEMBERS ZOOM MEETING**

## All of Our Member Meetings Have Been Moved Online!

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

THURSDAY, NOVEMBER 5TH 2PM MEETING

Topic
To Be Announced

## CALL TODAY FOR A FREE & CONFIDENTIAL PRICING ANALYSIS



Nolan Jones Broker | Real Estate Services 510.398.1622 510.867.4806 DRE#01509417



David Weglarz
Sr Partner | Real Estate Services
510.398.1027
510.225.3816 DRE#01785615



Roger Allen Sr Assoc. | Real Estate Services 510.398.1624 510.213.9349 DRE#01965923



Eli Davidson
VP | Real Estate Services
510.508.6671
510.323.8331



Don Vitalis Sr Assoc. Real Estate Services 510.398.1621 650.302.2173 DRE#01927674



David Yi Sr Assoc. Real Estate Services 510.398.1623 510.917.0447 DRE#01914323

REAL ESTATE INVESTMENT SALES COMMERCIAL | MULTIFAMILY



WWW.THEPRESCOTTCOMPANY.COM