

# BETTER BERKELEY TIMES

NEWS FOR OUR COMMUNITY

MAY 2021

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## NO BETTER TIME THAN THE PRESENT

We launched this newsletter in February 2020 with all good intentions to publish as often as possible. Concerns about Berkeley continued to grow and our first publication was well received. We were set to publish the second issue when the Governor's first shelter-in-place order came.

Before we knew it, news was coming at us from all different directions. Some was fake, some real, and it all came in a flood. It was clear to us that the newsletter would have to take a temporary back seat so that more pressing issues could be addressed. The pandemic has allowed us to bear witness to changes in community dialogue. We regularly attended city meetings, scanned the local media for community dialogue, and engaged with community members who expressed a variety of concerns.

Top-of-mind is how the city will recover from the pandemic's impacts. The loss of small businesses and people's livelihood feel devastating to many. It's led some to care more deeply about how decisions are made and how they affect our community as a whole. While we have heard new voices speaking up - and even some new concerns being addressed - we also noticed recurring issues bubbling to the surface. For a city blessed to be in one of the most economically strong regions of the United States, it's hard to wrap our heads around the reason for **our crumbling streets, increased homeless encampments, and quadrupling pension obligations.**

We thought, what better time than the present to dive back in and report on what challenges we face in making this a "Better Berkeley" for all? Welcome back.

## JUST ANOTHER POTHOLE OF A DAY FOR VOTERS

When your car or bike pushes out one more groan from its dip into a pothole, you start to wonder: "Why they even exist?" Every city uses tax revenue generated by its citizens and businesses to fund its infrastructure needs. Berkeley is a pro at taxing its property owners so that the city has a regular stream of cash.

Time and time again, Berkeley voters have been asked to vote for ballot measures that were sold for the improvement of the city's infrastructure. But time and time again, voters have been misled. Tens of millions of dollars have been directed via local and county bond measures, equaling seven different taxes collected from Berkeley's property owners.

Yet from 2009-2020, only \$1.9m has been allocated for street repair, despite the strong economy of 2014-2020 in which the city realized strong tax revenue. A 2018 voter-approved item (Measure P) which increased the city's transfer tax upon sale of real property. Voters were told the money "could" go to the city's Capital Improvement Program for infrastructure repairs.

### Some streets in Berkeley have not been repaved in 30 years.

So pray tell where *has* the money gone? Although the voters approved the taxes, the money does not have to be used for its marketed purposes. Once passed, the money is redirected to the General Fund where the Council has the discretion to spend it for other self-serving political purposes. **Expect more of this in the 2022 election!**



## CITY COUNCIL GETS A RAISE

Last November, Berkeley voters approved Measure JJ **giving City Councilmembers a 75% pay raise.** It allows for annual adjustments based on the Area Median Income (AMI). The 2021 AMI for our region is \$125,600 per year.

While it doesn't appear Council will receive the full AMI value, we do anticipate a 2021 pay raise that would give the Mayor \$113,061 annually and Councilmembers \$71,228 annually. Remember - these are considered part-time jobs and many Councilmembers have additional jobs as consultants or lawyers (although Councilmember Robinson just quit his job as a Peets barista).

Some community members feel uncertain about the a pay raise when they question the Council's effectiveness in spending the city's tax dollars. As one person said, "It seems taxpayers are given Taco Bell quality with French Laundry prices." Chow down!

## THE ECONOMIC IMPACT OF COVID

The economic impact of COVID-19 continues to slam cities like Berkeley where a \$28.7m deficit is estimated for FY 2021. According to a report published by the City Manager, total annual sales tax revenues decreased by 13.2% from the previous four quarters of 2019. More than two-fifths of the Berkeley businesses surveyed for the report had a greater than 80% revenue loss. This loss in sales tax speaks volumes as to the city's dependence on the University's student population, as well as the workers who inhabit commercial office space. In fact, the City of Berkeley's tax loss was almost two times greater than Alameda County's, which came in at 7.8% by year's end. Berkeley's single family home values continued to increase at a rapid pace as people sought larger dwelling units and accessible outdoor space. On the flip side, rents dropped more than 3% in 2020.



## HOW THE CITY SPENDS TAXPAYER MONEY

It's no secret. Berkeley does not have enough housing to meet the varying socioeconomic needs of its citizens. We are woefully behind in adding new units, creating a major gap between supply and demand. For decades it has been a game of musical chairs, leaving some people unable to secure Berkeley housing. Numerous studies have shown the positive impact housing production strategies have on decreasing the displacement of community members. Unfortunately, many of these strategies take a considerable amount of time and money.

A recent publication by the Urban Displacement Project a White Paper on on Anti-Displacement Strategy Effectiveness reviewed a variety of housing strategies. Authored by UC Berkeley professor Karen Chapple and Anastasia Loukaitou-Sideris of UCLA for the California Air Resource Board, they examined production, preservation, and neighborhood stabilization strategies. It determined what the state must do when funneling its funds to local jurisdictions and concluded that "the state's direct power to curb displacement lies primarily in the long-term, in how it channels its investments and disposes of its assets, i.e., public land...." It gave each strategy a rating of "low," "medium," or "high" when it came to potential prevention of displacement in cities like Berkeley.

It came as no surprise that **housing production had the highest potential for displacement prevention**, as did rental and foreclosure assistance programs. So what ranked lowest? "Impact + Linkage Fees" (fees

that cities charge on new development to account for the increased demand for governmental services), "Community Benefits Agreements" (housing units the developer sets aside for income-restricted occupants), and "Housing Rehabilitation."

Strangely, Berkeley City Councilmembers regularly pursue such strategies as housing rehabilitation. Since 2019, **the city has reserved almost \$1.7mm for the Bay Area Community Land Trust for the rehabilitation of 8 vacant units owned by the McGee Avenue Baptist Church.** In total, the city has reserved more than \$71mm for 9 different housing projects (both rehabilitation and new construction) comprising 445 units.

What if the city took half of the \$71mm and funneled it into more effective programs like rental and foreclosure assistance? Many more community members could remain in Berkeley if taxes were used more effectively. Instead, the Mayor and Council continue to throw money at nonprofit housing organizations linked to organizations that contributed heavily to their reelection campaigns in 2018 and 2020.

### SELLING YOUR PROPERTY?

The proposed Tenant Opportunity to Purchase Act (TOPA) will require owners to offer their properties to their tenants and city's list of "Qualified Nonprofits" prior to going to market. Learn more about this and other proposed policies at [www.howTOPAworks.org](http://www.howTOPAworks.org).



**CHECK OUT THE FLIP SIDE OF BERKELEY!**

[www.thebunion.org](http://www.thebunion.org)



TENTS ON ADELINE

## THE HOUSING CHALLENGED

You've probably seen the RVs lined up along the Eastshore Highway. And you can't miss the tents scattered across parts of Berkeley. Some of us do cleanups at the Seabreeze encampment where mounds of trash and belongings pile up regularly.

Before the pandemic, elected officials and Berkeley Rent Board commissioners would have you think the cause of these housing-challenged encampments were because of rising rents or evictions by "greedy landlords." While no one has ever produced data to prove a direct correlation between the two, the myth has been consistently perpetuated.

**When the pandemic hit, Council used emergency powers given to them by the Governor to place an indefinite ban on all residential rental housing evictions.** That meant no evictions for nonpayment of rent, violation of lease, or owner's to to move back into their own home, (known as an owner move in eviction). This wide-reaching ban has been in place since March 2020 with no definitive end date.

So if evictions have been banned for more than 13 months, why does it seem the tents and RVs keep increasing in numbers? One answer might be found in the variety of out-of-state license plates observed by neighbors whose streets have been impacted. Some rudimentary digging and research done by these neighbors show that these RV inhabitants come to Berkeley because we provide services to the homeless that can't be beat.

Should Berkeley bear the costs for encampment cleanup, sanitary provisions, and other support services? Tell us what you think at [betterberkeleytimes@gmail.com](mailto:betterberkeleytimes@gmail.com).

### NONPROFITS & TENANTS AS LANDLORDS?

Social housing advocates aim to take 50% of private housing off the speculative market through tenant and nonprofit property acquisition. That could be your home!

## What Is Social Housing?

Social housing is rental housing owned and run by the government or not-for-profit agencies. It's made up of two types of housing: public housing and community housing.

In the 1976, the Community Ownership Organizing Project wrote *The Cities' Wealth: Programs for Community Economic Control in Berkeley, California*. It focused on "...the techniques of economic and political policy which lead toward controlling and reallocating a city's wealth."

Moreover, it calls for "community control of the police" and "cooperative and community-owned housing [that limits] property speculation and thus deflates or partially expropriates income property values."

**Many elected politicians still operate on these philosophies.**

And the funny thing? The city once owned public housing. When financial fraud was detected, they sold the properties to private investors. The beat goes on.

# WHAT IS A PUBLIC PENSION?

Public employees earn a defined benefit pension as part of their compensation during their working years.

Pensions use an employee's years of service and average salary to calculate the monthly pension benefit in retirement. The longer an employee has worked and the higher his or her salary was, the larger the pension benefit will be because the employee paid into the system longer. States or cities decide how much income they want to replace in retirement for their employees and set up the pension benefit formula accordingly.

Funding for public pensions typically comes from three sources: employee contributions, employer contributions, and investment earnings. Of the three, investment earnings typically make up the majority: more than 70%.

Source: [www.protectpensions.org](http://www.protectpensions.org).



## A BERKELEY PENSION

In the last issue, we reported on the city's unfunded liabilities for employee retirees, which in 2016 was reported to be more than \$640mm. Each year the city adds to that future cost to the taxpayer every time they add a new employee to the payroll. In 2017, the City Manager said she was unable to determine the long-term cost of adding just one employee to the city's payroll.

Perhaps the only thing to slow down the unfunded liability train is a pandemic. The city currently has a hiring freeze due caused by budget woes.

## TOP TEN ANNUAL PENSIONS OF FORMER CITY OF BERKELEY EMPLOYEES



Philip H. Kamlarz	\$264,986	City Manager
Weldon J. Rucker	\$214,926	City Manager
Douglas N. Hambleton	\$209,615	Chief of Police
Dennis L. Ahearn	\$197,598	Police Captain
Eric M. Gustafson	\$193,634	Interim Chief of Police
Frederick J. Medrano	\$186,001	Health Dept. Director
Kevin M. Revilla	\$181,122	Asst. Fire Chief
Debra R. Pryor	\$178,058	Fire Chief
Daschel E. Butler (deceased)	\$176,143	Chief of Police
Roy L. Meisner	\$174,114	Chief of Police

Source: [www.100klub.com](http://www.100klub.com).



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## READER'S COMMENTS

"Thanks for sending me a copy of your publication. I am a homeowner in Berkeley and am getting very frustrated by the one-sided news media. I hope you will continue to publish your newsletter, despite the hostile climate in our fair city." - *Sean O.*

.....

"I just wanted to say that I really appreciate the newsletter you sent out last week. We need to keep this up in order to hold the City of Berkeley accountable." - *Brian B.*

.....

"Just received your mailing. I was struck by the fact that you bill yourselves as 'neighbors' but list no names at all. Who are the 'neighbors' who are behind this effort? My opinion of you might be considerably improved if you would stand up and be counted." - *David C.*

.....

"I appreciated your newsletter. I wonder how widely it was mailed? Are there copies I can distribute to neighbors?" - *Roberta G.*

## WHO ARE WE?

Berkeley loves a good conspiracy theory. When our first issue came out, it didn't take long for Twitter to play detective and "expose" those behind the publication. So who are we, anyway? We are the Berkeley Property Owners Association and our sister organization, the Berkeley Rental Housing Coalition. But before you shoot the messenger - know that we are more than that. We are homeowners, neighbors, community members, civic engagers, journalists, and everyday people who have an opinion about the direction Berkeley is headed. So recycle this publication if you want, or take comfort in knowing you're not alone in your concern for Berkeley's future.



## ARE YOU CONCERNED ABOUT BERKELEY'S FUTURE?

Join **US!** [www.betterberkeleytimes.com](http://www.betterberkeleytimes.com)