

Berkeley's biggest landlords are raising rents to outrageous levels, but they call themselves the *Committee for "Real" Affordable Housing*. So you know you're in for lies, spin and fakery right up there with Fox News and their fellow real estate investor, Donald Trump.

Let's take a look at what's been coming out of the high-rent spin zone in support of their Measure DD.

Lie No. 1. *"We represent small landlords"*. The DD campaign is funded and controlled by the Berkeley Rental Housing Coalition, a Political Action Committee whose board is made up of Berkeley's largest landlords. That's why DD increases taxes on small landlords, while Measure U1 exempts landlords who own less than five rental units. Look at the bottom back page of any of their mailings and, in small type, you will see a list of their major contributors, all anonymous LLCs (limited liability corporations), one of which has given \$59,902 so far and three more that all gave more than \$20,000. So far they have spent \$500,000 and the total is going up fast. That kind of money does not come from small landlords.

Lie No. 2. *"DD is the consensus measure"*. Measure U1 is supported by the entire Berkeley City Council, all of them, despite their many political disagreements. Organizations as varied as the League of Women Voters, the Sierra Club, the Associated Students of the University of California, Building Opportunities for Self-Sufficiency and the Alameda County Democratic Party all call for a YES vote on U1 and a NO vote on DD. Who endorses DD except landlords and their employees?

Lie No. 3. *"Measure U1 was put on the ballot by a handful of Berkeley City Council members trying to score political points"*. What part of the word "all" don't they understand? Every member of the Berkeley City Council endorsed Measure U1 and signed on to the ballot argument supporting it, including the Council members who are not running for re-election.

Lie No. 4. *"Measure DD will raise just as much money for affordable housing as Measure U1."* The big landlords **admitted in court that Measure U1 will raise "more than double" the amount raised by DD**. The official Finance Department estimate for U1 is that it will raise \$3.5 million and DD will raise \$1.4 million. Could it be that the big landlords support Measure DD because it will save them more than \$2 million a year and not because it's "fair"? Measure U1 is supported by every major non-profit affordable housing and homeless services organization active in Berkeley because it will raise enough money to do a substantial affordable housing development in Berkeley every year once the tax passes.

Lie No. 5. *"DD is fair because it taxes large and small landlords equally but Measure U1 has loopholes"*. Amazing. The big landlords say it's unfair to exempt the smallest landlords with less than five units from the tax increase. They want a "flat tax" so moderate income small landlords pay at the same rate as the larger landlords who are

members of the 1%. Most residents of Berkeley believe in progressive taxation, not Republican flat taxes.

Lie No. 6. “*Measure U1 is a give-away to big developers*”. The real give-away is to the big landlords who own older rentals. They have old property value assessments that give them big tax breaks while new buildings are given up-to-date assessments and pay much higher taxes. The Measure U1 exemption is only for the first twelve years, and after that new buildings will pay double what they would pay under Measure DD. Furthermore, when new housing is built in Berkeley the developer has to start out by either paying \$30,000 per unit into the City’s Housing Trust Fund or else making 17% of the development affordable to very low-income people for the life of the building. Of course the big landlords don’t want to encourage new housing. The less new housing gets built, the higher the rents the owners of the existing housing can charge.

Lie No. 7. “*If Measure U1 passes, landlords will have to raise the rents*”, say the big landlords. But they can’t. That’s illegal and we have a Rent Board that will enforce the law. That’s why the big landlords are promoting their phony Measure DD. If they could just pass the cost on to tenants they wouldn’t bother to spend all that money. Think about it. If higher taxes lead to higher rents, then lower taxes would lead to lower rents. Will Berkeley’s landlords lower their rents if the City lowers their taxes? You know the answer to that. It was tried with Proposition 13, which cut property taxes in half, and the landlords just kept raising their rents faster and faster. **They admitted in court that landlords are now taking in over \$82 million a year more than they were five years ago.** They are increasing the rents beyond their wildest dreams from a few years ago, but they don’t want to share their windfall profits by paying \$4 million a year in higher taxes to undo some of the damage they are causing the community.

Lie No. 8. “*Measure U1 sets up a complicated bureaucracy*”. Measure U1 will be collected by the Finance Department, just like any tax and costs of collection and administration of additional affordable housing assistance would be no more than 10%. Their Measure DD would spend between 20% and 25% of its revenue on collection and administration (see City Attorney analysis) because it calls for the City Council to set up and staff a citizen advisory group that duplicates the Housing Advisory Commission already established by the City Council. This would require the City to spend money on additional staff and cause confusion between the new group and the Housing Advisory Commission. Why did the big landlords write DD that way? They copied from an early draft of Measure U1 because they were trying to pretend the two measures would do the same things.

Lie No. 9 “*The Alameda County Superior Court forced the City to change the ballot summary*”. The City wanted to change the ballot summary because staff made errors, in both directions, and the only way to change a ballot argument after the deadline is to ask a court to order the changes. The landlords complained about errors that went against them and wanted to keep the errors in their favor. Our Yes on U1 campaign complained about all the errors and argued for the facts. The court, trying to save time, split the difference and proposed a range, from the Finance Department’s corrected estimate of \$3.5 million down to the landlord consultants’ underestimate of

\$3 million, which was based on previous errors. The U1 campaign has a standing challenge to the DD campaign. Now that the City Finance Department has corrected its errors, will the big landlords have their high-priced consultants rerun their numbers and let the public know the results? They won't do it. They know the Finance Department estimate is very conservative. In fact the Finance Department assures us that the actual amount collected will be higher than their estimate. In the end the main thing the DD campaign won was to have both ballot measures placed next to each other. This means you can easily read the arguments for both sides and see how weak the big landlord argument really is.

Misleading Claim *“The City Council can spend the revenue however they want”*. You can only laugh at the hypocrisy of Berkeley's big landlords when they attack U1 for something that is also true for DD. Both U1 and DD are general tax measures and it will be up to the citizens of Berkeley to ensure the money is spent on affordable housing, just as it's up to the citizens of Berkeley to ensure that the revenue from the tax on the big soda companies is spent on public health, which is exactly what the City Council is doing.

DD is a Big Landlord Deception. It's **“Downright Dirty Politics”**. Don't fall for the big lies from the big landlords. **We all win with U1 to fund affordable housing.**

Have you seen any new landlord claims that we haven't covered? Let us know at fundaffordablehousing@gmail.com and we'll respond.