

## Affordable Housing Tax Campaign Newsletter July 22, 2016

You are receiving this newsletter because you previously signed up to help pass the affordable housing tax or someone is helping to spread the word by forwarding it to you. We need your help.

The **big news** is that the City Council unanimously voted to place **our tax on the ballot** for November 8, 2016. Our measure will increase the business license tax on landlords who own five or more apartments by about \$30 per unit per month, and raise over \$4 million a year to construct and preserve affordable housing and prevent homelessness. Our measure also assures the tax can't be passed on to renters. Read more about it on our web site, [www.fundaffordablehousing.org](http://www.fundaffordablehousing.org).

Rents in Berkeley are increasing rapidly and Berkeley's landlords are collecting over \$100 million a year in excess rents, over and above the amount actually necessary to profitably operate and maintain rental housing. This is a massive transfer of income from tenants to real estate investors. It's only fair that those who are making windfall profits from the housing crisis pay some of it back to the community for those who are deeply harmed by rising rents.

**Right now we are working to get endorsements.** Our effort is supported by a broad community coalition including Berkeley's major homeless services providers and affordable housing developers, tenant, labor and environmental groups, senior and disability advocacy groups. We need many more.

Endorsements are important for us because Berkeley's **largest landlords** are funding a big opposition campaign. They have full-time staff, polling consultants and professional campaign consultants. Their polling showed that we would win if they opposed us directly, so they are trying to confuse the voters. They paid teams of out-of-town signature gatherers to put an initiative on the same ballot that will save them millions of dollars a year, increasing the tax by only \$7 per unit per month and raising only \$1.4 million a year, **less than one-third the amount of our measure**. And the kicker is that if they get more votes, it disqualifies our measure even if we get a majority.

Our Council-sponsored tax measure will not only raise three times as much money for affordable housing, it has exemptions designed to make it more fair. The big landlords claim that having any exemptions is unfair, so it is important to understand why we have them and

they do not. Simply put, the landlord measure saves the big guys money at the expense of small and socially responsible landlords.

**We exempt small landlords** who own less than five units because these are mostly moderate-income people themselves.

We exempt apartments where rents are kept affordable to low-income tenants and those with long-term tenants where the rents are well below market because there are no windfall profits coming from those homes.

**We exempt socially responsible landlords** who rent to low income tenants and formerly homeless people receiving rental assistance. Too many people qualify for assistance and then are unable to find a landlord willing to rent to them.

Finally, we exempt new construction for twelve years. We need to encourage construction of new homes and these new buildings are already required to contribute apartments affordable to very low-income people or pay into the City's Housing Trust Fund. Rents in new buildings are high, but so is the cost of construction. This exemption allows time to pay off part of the construction costs. Once the limited exemption period is over, the tax will go up to the full amount. Also, these buildings are not rent controlled, so the exemption prevents their landlords from threatening tenants with immediate rent increases if our measure passes.

We are up against a lot of money. We need endorsements and we need contributions, large and small. Please contribute what you can at our web site at [www.fundaffordablehousing.org](http://www.fundaffordablehousing.org).

Please forward this newsletter to others who support a tax on the windfall profits from Berkeley's rising rents.



Committee for Safe & Affordable Homes  
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