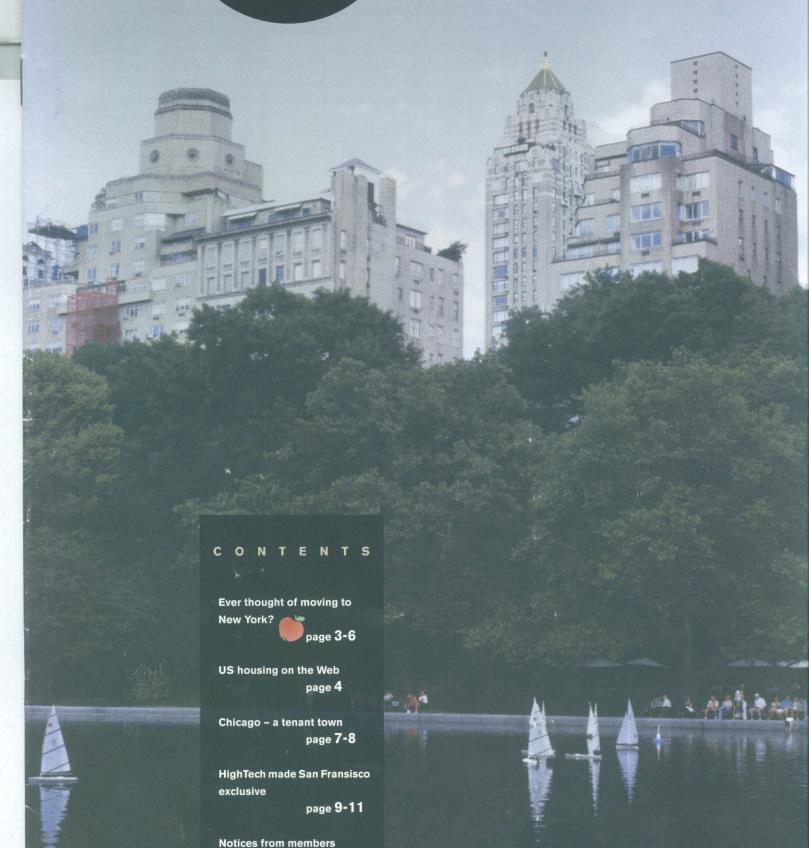
# GLOBAL TENANT

INTERNATIONAL UNION OF TENANTS' QUARTERLY MAGAZINE September 2001



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### Large differences in the USA

The USA is a country, and a continent. About 276 million people live in 50 states that differ a lot from each other. Also, housing differ a lot. In the "old" large cities, like New York, Chicago and Boston people have always lived in the city centres, and traditionally in a relatively large stock of rental flats. In the 60's and 70's higher costs and a deteriorating city environment made a lot of people in the big cities to look for better living conditions. An abundance of space and low land prices in places like Tucson, Arizona, and Dallas, Texas, created huge suburbs with one family houses. The old down-town areas with the train and Greyhound station became less popular. Many downtown areas became deserted and run-down and left to the few who could not afford to move out. But things have changed. The combination of an historical and architecture interest together with a desire to live in a more town-like atmosphere has revitalised many down-town areas, like Georgetown in Washington D.C. and St Louis, Missouri.

I am quite sure that most of my European colleagues have the impression that ownership, co-ops and condominiums, is the overall predominating form of multi family housing in the larger US cities. I must admit that I thought so too. Well, how very wrong we were!

Through Tenants & Neighbors Coalition in New York and other US tenant partners I have been enlightened and up dated on the present housing situation. Interesting information that we want to share with our readers all over the world.

In this issue we will mainly focus on housing in three major US cities with a still large rental stock; New York (70 %), Chicago (60%) and San Francisco (65%).

We of course welcome comments on articles from our readers.

Magnus Hammar Secretary General, IUT

### News from the Secretariat

• The IUT Secretariat in Stockholm has just received more resources. In September Ms Annika Ekström started her job as Assistant Secretary. Ms Ekström has a degree from IHM Business School in Stockholm. She has experience from working with the Swedish Foreign Ministry and as Executive Secretary. Ms Ekström is 34 and the mother of two young children.

We wish her all the best in her new position!

You can contact Ms Ekström at: annika.ekstrom@hyresgasterna.se

 The IUT will chair the European Housing Forum, EHF, from September 25th and one year onwards. Next meeting in Stockholm December 10.

#### Calendar

October 1-2: Informal Meeting of the EU Housing Ministers. Brussels, Belgium.

October 15-16: IUT East-and Central European meeting in Prague, Czech Republic.

October 24-26: Australian National Housing Conference, Brisbane

November 30-December 1: IUT Board meeting in Berlin, Germany.

April 26-27, 2002: IUT Board meeting in Prague, Czech Republic



### Ever thought of moving to New York?

If so, make sure you have a good monthly salary, or a substantial bank account on Cayman Islands!

In the U.S., the size of an apartment is related to the number of bedrooms. In Manhattan, near Central Park, you may end up paying 20 000 \$US a month for a nice one-bedroom flat, a two room flat! If you want to live less sophisticatedly but yet trendy in Greenwich Village, you can get by with perhaps 8 000 \$US a month! And if you are prepared to cross East River to Brooklyn perhaps you could get by with 3 000 \$US. Talk about market prices!

If you must live in Manhattan, perhaps Harlem is an alternative. There you can rent a one-room apartment – a studio, on 125th street for 1700 \$US. No wonder families move out of town!

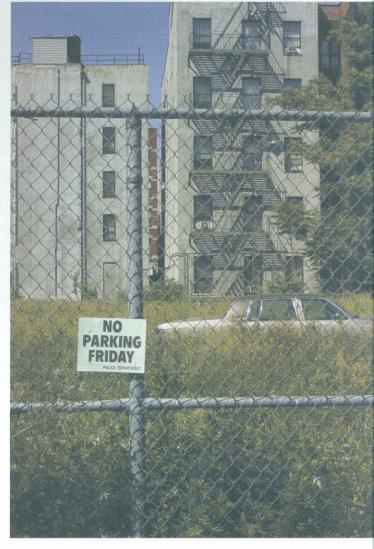
If you are lucky and get hold of an apartment belonging to some old aunt in Brooklyn, you could get by with just 1200 \$US. But only assuming that your aunt signed the contract in the seventies and lives in a flat with a regulated rent. The studio in Harlem in this category would cost about 450 \$US. But these old contracts cease to exist soon as the old tenants move. New contracts of this type are not available.

### Clinton up-grades Harlem

Walking in Manhattan, and perhaps north of Central Park where Harlem begins, one cannot help noticing how new or totally renovated houses stand next to demolition sites and ramshackle houses - though often with scaffolding. As prices reach monstrous heights in the central parts of Manhattan, New Yorkers have started to look at areas which before were seen as impossible. Today, a clear transformation of the area north of Central Park, Harlem and Spanish Harlem, is taking place. The attractive four-storeyed houses with decorative facades from the turn of the century, brown-stones, can still be found here. The last President Bill Clinton's plan to have an office on 125th Street, is also escalating the conversion.

### Restoring, for whom?

The City of New York regularly purchases derelict houses and buy houses and building sites when the owners cannot afford to pay the debts. On inquiring about the overgrown sites, information is given that they are awaiting exploitation — as soon as the owner gets a good offer. But this can take time as these sites are often seen as long-term investments. After purchase, the City can soon get started, using municipal or federal recourses and often with a surprisingly careful renovation. Doors, windows, stucco and other attractive details are saved if possible. A representative from a building firm, claims that keeping the old building materials, like inside and outer walls and window frames, is a long-



term economic strategy – new material, quite simply, does not last as long as old.

After renovating, some apartments are sold as co-operative apartments at market prices, and in this way, new, rich people are introduced to an otherwise shabby, but central part of town. This is a deliberate policy to slowly lift a decrepit and unattractive living area. But many houses are also earmarked for buyers with low or medium sized incomes, with a maximum amount. These may buy their apartments at subsidized prices or with an advantageous loan. The city's policy is to, preliminary, support the inhabitants who "have a future" and a possibility of managing a reasonable cost of housing. According to the City, segregation and slums are neutralized most effectively by a general cleaning up of attractive houses and shops and with other methods to make previously shabby areas attractive for those with a greater purchasing power.

But left unanswered is the question of what will happen to the many others with social allowances and with low or

no income. All the others who have to move from their part of town when the rents and prices rise, what happens to them?

But perhaps the Republican governed city is tired of the one sided and expensive fight against drugs, crime and juvenile gangs. It would perhaps be cheaper and more effective if capital and market forces took care of the problems?

### Decentralized housing policy

There is no real national housing policy in U.S.A. Politically, the housing issues goes mainly through the local authorities — in New York through The New York city Housing Authority. But there is also a national, a federal, authority in Washington D.C.; HUD, Department of Housing And Urban Planning. HUD was established under Lyndon B. Johnson's program "War on Poverty". HUD gives, among other things, economical grants for subsidized housing for low income earners, the elderly and the disabled and for renovation projects for residential blocks. HUD also gives housing allowances in the form of vouchers for low income earners, and grants to landlords who let to the same groups. No direct housing allowance is given to tenants in the U.S.A..

### Large variation of subsidised housing

Probably, New York has had the greatest experience of subsidies and rent control of any city in U.S.A. Already in the 1920's tenants' rights increased through rules with more detailed written leases and which at the same time gave the tenants a limited protection from eviction. The rent was "controlled" with increases of not more than 25% a year! During the depression of the 1930's, there was a surplus of housing and also the first tenants' organization was founded in 1936, Citywide Tenants Council. A large amount of America's male population was called up during the Second World War and left many families without a breadwinner which resulted in a general rentraise stop, introduced by Roosevelt in 1943. When the young soldiers returned, many of them had dreamt of building a family and there was soon a housing shortage all over the country. In 1946, President Truman drove through a limited federal rent control. This



was the last time that rent was controlled federally in U.S.A. In 1950, New York was the only state with any kind of rent control. This due to the fact that the amount of vacant apartments were as low as 1%, (today 4%).

### Two out of three live in rented apartments

Rental housing in New York City, NYC, is of importance. About 70 % of all accommodation is in the form of rental housing. On the whole, only about 30% in U.S.A. live in rental housing. Housing consists of a variety of different accommodations under different regulations and different property and administrative conditions. In principle, there is a free market and a regulated market. Of totally three million accommodations in NYC, two million are rented apartments, of which one million have some kind of rent control. However, many of these so called "regulated apartments" have yet such high rents that many, above all families with children, have to move.



### Housing in the USA, on the Web

- The Tenant Network: http://tenant.net
- Do you want to receive weekly on-line newsletters about housing in New York? www.tenant.net/mailman/listinfo/nytenants-online
- US Census Bureau: www.census.gov/hhes/www/housing.html
- The tenant resource directory information sources for renters throughout the USA: http://directory.tenantsunion.org
- · Housing New York rents, markets & trends, from the Rent Guidelines Board: www.housingnyc.com
- · U.S. Department of Housing and Urban Development: www.hud.gov
- National Housing Institute: www.nhi.org
- Rent Wars a website and TV show: www.rentwars.com/



### Housing with regulated rents

### 1. Rent Controlled housing

Applied to rented apartments built before 1947 and with tenants who must have inhabited the apartment since 1971. The tenants have no contract, but may remain for "life". The rent is set every other year and consideration is taken for inflation and costs for maintenance, and cannot increase more than 7,5% a year till a Maximum Base Rent has been reached. The landlord may also add extra energy costs each year. Totally this can result in higher rents for older tenants compared to the "Rent Stabilized" category. Once the tenants have moved, the apartment belongs to category 2. No new accommodation is built in this category, and those that remain are deregulated and transferred to "Rent Stabilized housing". In 1970, there were 1,2 million rent controlled apartments in New York. In 1993, 100 000 remained and in 1997 only 70 000 units remained.

### 2. Rent Stabilized Housing

The present rent stabilization system was introduced in 1969 and these accommodations are found in buildings with more than 5 apartments and built between 1947 and 1974. Tenants in houses built before February 1974 and who moved in after July 1971 are also protected by rent stabilizing.

Also, the Rent Guidelines Board, RGB, and a Conciliation and Appeals Board, CAB were introduced in 1969.

#### 2a Public Housing

These buildings have been built by New York City and are mostly subsidized with federal funds from Washington D.C. and HUD, The Federal Department of Housing and Urban Development. In New York, these 180 000 apartments are managed by the New York City Housing Authority, NYCHA.

In the whole of U.S.A. there are 1.2 million federally subsidized apartments, which are mostly intended for families with children, the elderly and the disabled. Afro Americans and Hispanic inhabit 60% of these apartments. In order to have access to one of these apartments, a family's income must be lower than a certain amount. The rent is decided in relation to income and the size of the family.

More information on Public Housing: www.hud.gov/pih/ pihpg1.html

#### 2b Mitchell-Lama\* Housing

The first M-L program was established in New York State in 1955 in order to offer accommodation with reasonable rents for apartments and cooperative housing. The program was mainly targeted at people from the middle class. The State and the New York City keep the rent at a reasonable level by offering tenants loans with low rents and relief from taxes on real estate. Building firms are also offered cheap municipal land. However, the owner must consent to a profit of 6% at the most. As in the Section 8 program, the owner signs a 20-year contract. The M-L program continued into the middle of the seventies, when high inflation killed further development of this program.

\* Manhattan State Senator respective Brooklyn Assemblyman who sponsored this legislation.

#### 2c Section 8 Housing

Private housing enterprises or non-for-profit institutions receive earmarked grants for the purpose of letting to low income earners. The rent must not exceed more than 30% of the family's income before tax. This program was introduced in 1974 to make it possible for low income earners to obtain better accommodations than they would normally afford. The Section 8 program today assists 3 million families in the U.S.A. The program includes two kinds of grants; "tenant based" and "project based". The first program provides tenants with a voucher, which the tenant can bring to a landlord who has signed on to this program. The latter program gives grants bound to the actual property. New York State has, after California, the most Section 8 apartments in the country, about 130 000.

It was mostly during the 1970's and early 1980's, that landlords joined up with this program. The landlords signed contracts for 20 years. The majority of these 20-year contracts will expire within a three year period and many landowners will choose to opt-out of the program and transform the apartments into cooperative apartments or to apartments with market rents.

### Unregulated housing

- Apartments with market rents, owned by private landlords
- Co-operatives, "co-ops"
- · Condominiums, "condos"



### Rents set every year

May to June is possibly the busiest time for tenant organizers in New York. The Rent Guidelines Board, RGB, meet in June to decide the rents for almost one million rent controlled apartments. RGB consists of nine people, of which two represent the tenants and two the landlords. The remaining five should be "neutral", but are appointed directly by the Mayor, at present Rudolph Giuliani. These five are closely scrutinized by the tenant organizations who, not surprisingly, consider the five "neutrals" to be greatly politically burdened.

The RGB met on June 20 to settle rents for the period October 2001 - October 2002. The spokesman for the tenants had insisted on an unchanged increase in rents, and the large profits of the housing company were referred to. Under booing from the audience, the RGB voted, with a majority of 7-2, for a rent increase: 4% increase for apartments with a one year contract and 6% increase for those with a two year contract.

### **Tenants & Neighbors Coalition**

In a four-story building, just two blocks from the World Trade Center and owned by a Buddhist Church, you find Michael McKee and his 11 permanent colleagues from Tenants & Neighbors Coalition. The location is surprising as the rental costs in this area must be amongst the highest in New York. But the Buddhists clearly have a non-commercial and loyal philosophy and lease to Tenants & Neighbors at a more reasonable cost.

Tenants & Neighbors Coalition is not the only organization in New York which represents tenants. But judging by newspaper cuttings, this organization is one of the more active and influential.

Tenants & Neighbors have about 17 000 individual tenants and 200 tenant groups as members. Their aim is to see that affordable rental housing in New York remains. Moreover, they make sure that housing laws and regula-



Michele Bonan

tions are followed and that sentences are executed. Another aim is to get a more balanced representation in the Rent Guidelines Board.

#### more information

NY State Tenants & Neighbors Coalition, 105 Washington Street, 2 Floor New York, N.Y. 10006. Tel ++1 212 608 4320, fax 212 619 7476. Michele Bonan, e-post: MBonan@aol.com

Read more about the housing situation in New York: http://tenant.net

Text: Magnus Hammar, IUT Secretariat

### NAHT, a National US Tenant Organization

The IUT Secretariat has just received an application for membership from the NAHT, the National Alliance of HUD Tenants.

NAHT was founded in 1991 and connects resident groups living in HUD\*-assisted multi family housing all over the USA. NAHT's goals are to preserve and improve the stock of affordable housing in the USA, build tenant organizations and to power, promote and improve the stock of affordable housing. NAHT invites its members to annual conferences and produces a newsletter, The National Tenants' Voice.

#### more information

NAHT, 353 Columbus Avenue. Boston, MA 02116. USA. Tel ++1 617 267-9564, fax 617 267-4769. E-mail: naht@erols.com

About 2.1 million US families today live in HUD assisted housing.

<sup>\*</sup> The Federal Department of Housing and Urban Development, in Washington, DC.

### Chicago has been a tenant town

By Pamela Alfonso

Chicago has over 600,000 rental households, making more that 60% of all residents in Chicago, a tenant.

However, Chicago has lost more than 40,000 rental units over the past decade - most of these are apartments where low-income minority families resided. The decrease in available apartments is due to condominium conversion, physical deterioration and demolition. As thousands of rental housing units are lost each year, there are not enough resources to replace them. In the past disinvestment was thought to be the reason for the rental housing short-fall. Ironically, the current strong economy has become a key factor pushing rent levels of existing units to record highs. Rather than benefiting from the surging economy, low-income renters are left to compete for the dwindling supply of affordable rental housing available on the private market.

The City of Chicago has a "Five Year Affordable Housing Plan", (1999-2003) which acknowledged that affordable rental housing is perhaps the most severe challenge in the Chicago housing arena today. The combination of a growing shortage of rental units and increasing cost-of-housing burdens for renters is expected to continue for the next five years. In addition, many barriers continue to exist including housing discrimination - making it difficult for many minority, ethnic and families with children to find adequate housing in neighborhoods where it may be available.

### Low vacancy rates, growing rental cost burdens and growing hostilities

Vacancy rates in rental housing have fallen to between 1% and 2%. When such a vacancy rate occurs, the market is considered "fully occupied". In addition to rent burdens, it is our belief that the low vacancy rate fuels a hostile rental market. In this market, landlords have the ability to pick and choose tenants, and more often their choices can be illegally discriminatory. It has been our experience that when the market is so tight, landlords blatantly ignore housing laws. Tension between tenants and their landlord grows. We

see increases in evictions, lockouts and even violence. Tenants are often so busy looking for housing that they don't have time or the energy to pursue legal remedies or file formal complaints.

Adding fuel to Chicago's housing crisis is the future of subsidized tenants. The Chicago Housing Authority (CHA) who is responsible for public housing in Chicago, is in the process of creating a complete overhaul of itself. Under the CHA transformation plan, Chicago will lose approximately 20,000 public housing units to demolition. At the same time the future of federally funded rent subsidies have become an annual debate in the U.S. Congress. Nearly 20% of all Chicago renters receive some type of federal rental subsidies - yet these policy decisions are being made with little or no input from those tenants who are most affected

### Metropolitan Tenants Organization

For two decades the Metropolitan Tenants Organization MTO has been Chicago's leading grassroots voice on



Chicago now



MTO demonstrationn in Chicago

tenants rights issues. MTO is a nonprofit membership organization that organizes, educates, and empowers tenants to have a voice in decisions that affect the affordability and availability of decent and safe housing. We accomplish this by promoting and engaging in tenant organizing, and focusing the efforts of organized tenants on specific issues. Chicago historically, has been a major center of grassroots organizing.

Our three programs, the "Citywide Tenants Rights Hotline", "Affordable Housing Preservation Program", and the "Subsidized Tenant Empowerment Project", feed each other and provide tenants with different options to impact their daily lives and together they create a vision and vehicle to impact policy decisions. Our hotline answers more than 11,000 calls a year, while our organizers empower and organize tenants in more than 200 buildings a year.

### Organizing Where Tenants Live

Through contact with tenants on the hotline, referrals from community organizations, legal institutions, and city departments, MTO identifies organizing opportunities. In the past year, MTO worked on different community and building wide issues to impact the lives of tenants, develop tenant leadership and challenge systemic structures that affect their lives.

The following three examples are some examples that might help illustrate our work:

#### Cooking Gas Shut-off

A number of tenants at the same address of an apartment complex on the South side called the MTO hotline because half of the 460 tenants did not have any cooking gas. The tenants felt powerless, not receiving any concrete assistance. Our hotline suggested that the tenants gather together and meet. An MTO organizer, went to the building to help the tenants strategize for solving their problem. Tenants at the building joined with community organizations to plan a mobilization to challenge the lack of response to their housing crisis. Over 60 tenants and advocates marched and after an hour of negotiations the tenants' demands were met and included 1) a promise to restore the gas; 2) vouchers to purchase food until the gas was restored, 3) a dinner for tenants on "Mothers Day", 4) adding two tenant representatives to a management team and 5) a tenant ombudsman position be created to resolve these issues more effectively in the future.

Their actions received public attention and succeeded in getting the gas service restored and relocation assistance for families that wanted to move.

### Horrible Building Conditions

A group of tenants living in buildings on the west-side of Chicago, formed a tenant association because they were living in rat infested buildings, without proper heat and other horrendous conditions. The tenants in these buildings were unable to have their problems taken seriously because the owner was a non-profit agency with roots in the community. There were decrepit conditions including severe criminal infestation and the potential of foreclosure and even demolition due to the lack of repairs. Tenants from seven buildings got together to discuss their common issues and goals. They invited attorneys to explain their different legal options. The group decided to pursue receivership (having the court take control of the building away from the owner - and have a temporary receiver appointed to collect rents and make repairs). The tenants called the City and also met with one of the banks that held mortgages on a few of the buildings. The bank inspected the buildings and within a week went to court to ask for a receiver as well. Repairs are finally being made and the buildings will be sold to a new owner committed to affordable housing.

### The Right to Organize

The tenants at an apartment complex on the near west-side, contacted MTO after the management of the building wanted to do away with the existing tenant council by holding separate elections to which they would run their own slate of candidates. After several meetings, we found a federal law that affirmed the tenants had the "right to organize" free from owner/manager interference. Tenants utilized this information in meetings with federal officials. They were successful in delaying the election and the tenants participated in a steering committee that planned a process for the elections that created a fair opportunity for all candida-

Pamela Alfonso is the Executive Director of the Metropolitan Tenants Organization, MTO.

Contact Ms Alfonso at, Pam@tenants-rights.org.

MTO on the Internet: www.tenants-rights.org

## Silicon Valley and dot.com made San Francisco exclusive

By Ted Gullicksen, SFTU

Finding and keeping affordable housing in San Francisco has been a problem for people with moderate or low income for many years. But never so much as in the past six or seven years when the high tech economy centred near San Francisco boomed, bringing into the city thousands of well paid and newly rich "dot-commers" who displaced thousands of less well-off residents. From the late 1990s until late 2000, evictions in the city quadrupled and rents tripled, leaving the San Francisco of today very different from the city in 1996.



Photo: Begt Olof Olsson/Bildhuset

San Francisco is located about 30 miles north of the heart of Silicon Valley, the center of the United State's high tech industry. It is in Silicon Valley where Microsoft, Intel, Hewlett-Packard, Sun Microsystems and other giants of the computer industry began and remain.

With a population of about 750,000, San Francisco is a moderately large city similar in size to Boston on the east coast. Built on a 7 square mile tip of a peninsula between the San Francisco Bay and the Pacific Ocean, there has always been a finite amount of land available for housing construction. In addition, the city is of relatively low density with the largest chunk of housing being apartment buildings with 2-4 units. There are just 3 or 4 very large high-rise type apartment

complexes and the strong neighborhood based politics of the city have generally made any high density construction impossible.

### San Franciscans are renters

Over 65 percent (about 500,000) of San Franciscans are renters, with the remaining 35 percent owners of single family homes or condominiums. Rental housing is largely owned by private landlords on a for-profit basis with just a few thousand units owned and rented at affordable rents by the government or non-profit housing developers. Few new single family homes are built each year, most having been built after World War II and bought by returning service members with government loans. Other than that burst of construction, most of the city's housing stock dates back to the early 1900s, with much of the existing housing being built following the 1906 earthquake and fire which levelled much of the

With so many renters, San Francisco's housing problems and issues center on rental housing, with skyrocketing rents and evictions (especially those for condominium conversions) being the dominant issues most recently and, in fact, decades as the for-profit landlords seek to maximize their profits. In the late 1970s, the problems of huge rent increases and surging evictions caused the city to adopt a rent stabilization law which regulated how much landlords could raise rents on tenants and specified that tenants could only be evicted for certain "just causes." The law, however, allowed landlords to charge whatever rent they wanted on a vacant apartment. At the same time a law regulating evictions and conversion of rental housing to condominiums was adopted.

### Vacancy-de-rent-control

The main weaknesses in the city's rent stabilization law was that landlords could charge whatever rent they wished on a vacant apartment (many US cities with rent stabilization or rent control limits rent increases on vacant



Protests against vacant cityowned property in support of the homeless.

apartments as well as occupied ones). One of the basic problems is that this so-called "vacancy de-control" meant that the rent law did nothing to preserve the affordability of the rental housing stock. In 1979, a vacant 2 bedroom apartment rented for \$475; by 1995 the average was \$1,050 and last year the average was \$2,700. The neighborhoods nearest the center of the city saw average rents go even higher: between \$3,000 and \$4,000. Thus while tenants received a certain degree of protection from huge rent increase while living in their apartments, few could afford the cost of moving to a new apartment. Increasingly, too, those moving into San Francisco were people with higher and higher incomes, causing an overall gentrification of the city.

Since a landlord can charge whatever they want on a vacant rental unit regardless of how the apartment became empty, for many landlords this resulted in a motive to evict long-term tenants in order to raise rents and increase profits. "

### High-tech caused dramatic changes

Around 1996, rents, evictions and housing costs began jumping dramatically in San Francisco. Although it first was isolated to various neighborhoods in the city, a wave of a housing crisis was obviously creeping up from Silicon Valley. As the established high tech companies began growing and new companies were born, thousands of workers flocked to California for well paying jobs. In the cities and towns closest to Silicon Valley housing prices

began soaring and vacancy rates (housing available for rent or sale) dropped below 1 percent. It moved up the peninsula to San Francisco where the crisis hit with a bang in 1997.

Most of the tenants living in San Francisco when the housing crisis hit were people with low or moderate incomes. The city's economy is largely driven by tourism (restaurant and hotel jobs) with office jobs. The third largest sector being light industry and manufacturing. The city also has a high population of students and artists, and neighborhoods like the Castro District have long been a Mecca for young gay or lesbian people seeking to escape the intolerance they found in many parts of the United States. Luckily the city's rent law prevented landlords from raising rents on these tenants as long as they remained living where they were. But very few could afford the rising rents if forced to move.

And forced to move were thousands and thousands of tenants. With a vacant apartment renting for \$2,700 landlords sought to evict tenants so they could cash in on the crisis. Tenants who had lived in their home for 10 or more years might be paying around \$600; even tenants who moved in right before the housing crisis hit were paying around \$1,000. From 1996 to 1997 evictions doubled - nearly all of the tenants being long-term tenants whose rents were below "market." From 1997 to 1998, evictions doubled again. Those evicted were nearly all forced from the city: a Tenants Union survey of all people evicted in 1998 found that 86 percent moved out of San Francisco.

### Higher rents and condominium conversions

Simultaneous with these evictions began an epidemic of evictions for condominium conversions. Again driven by the migration of wealthy people into the city, real estate investors and speculators found they could make huge profits by selling apartments as expensive condominiums. As rents rose into the high \$2,000 range, the demand for these condos grew. Newly minted millionaires realized they could simply buy an apartment, rather than rent it. Using loopholes in the city's condominium conversion law, these real estate speculators began buying up undervalued apartment buildings (usually undervalued because they were lived in by long-term tenants paying affordable rents), evicting all the tenants, and selling the units individually. The average price of a condominium, many of them small and in need of renovation jumped to over \$400,000.

### The impact of \$\$

This dynamic of displacement of moderate income San Franciscans by wealthy Silicon Valley workers steadily changed all facets of San Francisco life. The city's Haight-Ashbury neighborhood (home of the summer of love), which had been going through steady gentrification since the 1960s anyway essentially turned into a wealthy enclave with lots of upscale stores and restaurants catering to tourists. The Castro District long a haven for gay and lesbian people all across the country-became one of the most expensive and exclusive neighborhoods in the city. The city's Mission District over the years had replaced the Haight-Ashbury as the center of political activism and counter-culture in San Francisco saw the most tenants evicted and became a largely successful battleground against gentrification, but still saw dramatic changes: used bookstores, funky cafes. And ethnic restaurants were evicted and replaced by upscale restaurants with valet parking. Street corners which people from outside the neighborhood used to avoid at night suddenly became hot tourist attractions and favoured dining places for residents of the wealthier neighborhoods.

#### Photo: Gerry Johansson/Bildhuset

### "For rent" signs brings hope

Now in late 2001, the crisis is ebbing although the damage has been done. A combination of tenant resistance and the slowing economy. "For Rent" signs are popping back up in windows and the vacancy rate has gone up to 2.5 percent. Many of the dot-com companies are bankrupt and artists, non-profits, and small businesses are moving back in.

It seems unlikely that the damage can be reversed very easily. While a slowing economy will result in rents flattening out or even declining slightly, we will never see rents drop by as much as they increased. Gone forever are the \$1,000 rents we saw just 5 years ago. And the thousands of people who were evicted out of the city are gone forever. Very few will get to return, which is sad because most of the eviction victims were the city's long-term residents. They were people who had lived in the city

for decades, usually in the apartment they were evicted from, and were the people who made up the character and diversity of San Francisco.

Nonetheless, housing and tenant groups are looking to rebuild. An entire new Board of Supervisors (the governing body of the city) was elected last year. There is increased energy and effort focused on creating new affordable housing and saving the housing and work spaces of long-time San Franciscans. It will take years, but the activist community in San Francisco is optimistic that over time San Francisco will again become a place of character and diversity, not just a place for the rich.

This is a shortened version of Ted Gullicksen's article. Read the full version on www.iut.nu

Ted Gullicksen is Office Manager at the SFTU, San Francisco Tenants Union, founded in 1970.

E-mail: ted@sftu.org SFTU website: www.sftu.org



### Sweden



- · The tenants in the public housing stock owned by the local authorities, altogether 860 000 apartments in Sweden, are offered to buy their apartments. This offer is extremely interesting to tenants in Stockholm - as market prices are the highest in the country. Tenants in 27 000 public housing apartments are being given "an offer they can't refuse"! The day after the purchase, the apartment is worth twice as much as they paid for it!
- The Swedish Union of Tenants, the largest NGO in Sweden with 550 000 paying household members, has succeeded in giving tenants in all rental housing a much larger possibility to influence when a landlord wants to renovate an apartment. Previously, the tenants had to accept when landlords did, more or less, unnecessary costly renovations in an attempt to raise the rents.

#### more information

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### Australia



The National Association of Tenants Organisations just held its annual face-toface meeting in Perth Western Australia. This meeting is our only opportunity to meet in person and discuss state based and national issues (tenancy laws differ from state to state). Common issues included:

- national tenant databases used by real estate agents and landlords to do checks on tenancy history.
- the expansion of the community housing sector, the reduction of public housing, lack of security of tenure and the need for minimum standards in rental housing.

### more information

Ms Deborah Pippen, e-mail: Deb\_Pippen@fcl.fl.asn.au

The Tenants' Union of Queensland just celebrated its 15th birthday. In 1986 the primary goal of the organisation was to advocate for better tenancy laws, including a central bond authority that would hold tenant bond money during the tenancy.

Today the biggest challenge facing tenants in Queensland (and throughout Australia) is the increasing use by the real estate industry of Tenancy Databases. Tenancy Databases are used by real estate agents to list tenants who allegedly default on the tenancy. Currently there are no effective privacy laws or regulations that enable tenants to dispute unfair or retaliatory listings. Tenants also have no right to be told if they are listed or why. Tenants who are listed on a Tenancy Database are denied access to future rental accommodation and many tenants end up homelessness as a result of being listed.

#### more information

The Tenants' Union of Queensland, e-mail: tenung@powerup.com.au

### Great Britain



"This year TPAS, Tenants Participation Advisory Service, aimed their Participation Into Practice Award towards recognising and promoting the best in tenant website design and development. The Martyn Leighton Memorial Award for Winning Websites aimed to find one tenant, and one umbrella group website that displayed good practice in providing an accessible and informative resource for their local community. Websites had to have been designed by a member of the group and not by external designers. Visit the winning sites at www.oriel-estate.co.uk and www.doncaster.fed.btinternet.co.uk.

Read more about the award at www.tpas.org.uk/pipa.html

### more information

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### Switzerland



The Swiss legal system allows owners to increase rents according to 3 cumulative inflationary criteria: Mortgage rate, maintenance costs of the buildings topped by the general Swiss cost of

living rate. To counter this social injustice, the Association Suisse des Locataires, ASLOCA, has launched a national legislative reform project. In a few months, another project drawn by the Swiss parliaments, badly influenced by the building-owner's lobby, will soon be submitted to referendum.

Besides the usual involvement against other arbitrary acts often suffered by our tenants: notices to quit, rental increases and general shortage of housing, ASLOCA will need to put all its energy towards convincing the public to bring its support to defend its own group of interest, the one of the majority of the Swiss inhabitants which count nearly 65 % of tenants.

#### more information

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### Hungary -



The Hungarian Government have started off a programme for building tenement flats, by the Local Authorities, under the conditions that the buildings remain their property for a minimum of 20 years, also that the Local Authorities should pass local provisions on operating these houses.

The Hungarian Tenant Association, LABE\*, was not invited to co-operate in working out this programme, and LABE is now excluded from participating in this process. Who should now let the Government know that again just like in the case of the campaign of selling the tenement flats, got to widely known as "disaster privatization" -Local Authorities are not the best possible owners?!

Presently in Hungary legal tenancy is only in a case of Local Authorityowned flats, as there are neither co-operatives, nor corporations, churches, or other investors of legal entity which would own tenement houses.

Those tenants, who became "owners" of their flats in houses which are unable to function, are now dissatisfied.

\*Lakásbérlök és Lakók Egyesülete

### more information

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