

ONE BAD BREAK AWAY FROM THE STREET

I was catching up with a friend of mine recently. He lives with his wife and two kids in South Berkeley. They were **lucky or wise** enough to buy a house some years ago and live there still. He told me about the property next door, part of which was just sold. This neighbor to the west, in or around 2010 knocked down an old structure and built a large modern looking duplex. He sold one of these units for \$400,000 in 2012. Christopher tells me it resold this year for \$900,000.00, netting a profit of \$500,000. That is an **obscene profit** of almost \$100,000 per year for being lucky enough to own a house during a period of great real estate growth.

A quick look at Craigslist.org for housing reveals the **skyrocketed rents**. A one bedroom in the Sunset district of San Francisco rents for \$2600. A "large studio apartment" in downtown Berkeley with a balcony lists for \$2095. In Vallejo one can rent a one bedroom with 630 sq. feet and a view of the North Bay for \$1919 per month. To me this sounds like a lot of money. There is little available for less than \$1000 per month.

I lived in Oakland from 1999 to 2007 and then for one year in South Berkeley. The first place I rented was a one-bedroom apartment and it rented for about **\$700**. Later, I rented a room in a house for about **\$550** per month. The last place I rented was in South Berkeley and it was a petit two-bedroom apartment in a duplex unit for about **\$1150** which I split with a housemate.

Now ten years later this last place would rent for double what we paid. Some places have more than doubled. I can no longer **afford to live** in the Bay Area unless it is under couch surfing conditions. I don't understand how working-class families can stay afloat. Anyone traveling to or through the Bay Area will note with some alarm that tent cities have **sprouted** up. They are along freeways and under over-passes. They are in industrial areas. This is a new phenomenon. It is no longer that only drug addicts and mentally ill who live on the street. Many people are just **one bad break** away from ending up on the street.

In San Francisco there is rent control. But this only works if you got a place a long time ago and never move. As soon as the tenant moves out the landlord is quick to re-rent at "market" rates.

We are in a period of greed and exploitation. The state and counties have incentives for housing to **stay high and go higher**. When a house sells it gets reassessed and the property taxes go up, this means more state revenue. Annual property taxes are pegged at 1% of the selling price. So, the state and county get more money when housing sells high, a lot more.

Realtors like the **high selling price** because their commissions are generally based on a percentage of the sale price. Banks have an interest in high sales prices. Their profit comes from loaning home buyers, money and the bigger the loan the bigger the profit.

Who doesn't have an incentive for high real estate prices? Well a growing number of working-class families that don't own properties and the young who are trying to get into the housing market, many with fancy college degrees and with college related loan debt.

When will this end? I guess when people **can no longer pay** these exorbitant prices.

This has happened before. Remember the crash of 2008? Not that long ago really. People couldn't pay their mortgages and millions of homes were foreclosed on. I was one of those. I had bought a property, mostly on credit in 2006. It was in Bend Oregon, a lovely town with access to skiing, lakes, nature and a fairly-vibrant community. Unfortunately, in the ten years previous, Bend had been built up. Overbuilt. In 2008 to 2010 the rents fell, places were vacant. People couldn't keep up with **inflated mortgage prices** and then suddenly people are losing their houses. I was one of those people. A crash can happen again. It can happen quickly as it did in **2008** or way back in **1929**.

I like to think there can be other ways. Should housing be a commodity to be bought and sold? It seems like that won't change but should there be **some limits** to capital appreciation? I think so. It seems that for some things, society has decided that some limits need to be placed on capitalistic instincts. Health care, as contentious an issue as it is, has become partly socialized. Some limits to environmental exploitation, grossly inadequate though they are, are present. Fire control and police are **socialized**; roads are built for us all. The military is supposedly here to protect us all from foreign invaders.

Maybe society will at some point say people have a **right to housing** and set aside enough low-cost housing for those of us not wise or lucky enough to have been a financial winner. Maybe not. Tenting (if you can find a place to put it), living in vehicles or shared housing work for some people. Tiny house communities are growing in number and in popularity as both a cheaper way to live and a **more environmental** way to live. Of course, there is some help for some people, such as single mothers in dire conditions. Society is not totally heartless. But the housing issue is getting out of hand. Out of control. How can society reign it in? Maybe, we can decide to **not maximize profit** at every stage. Maybe we can be less greedy. Maybe.

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National Hunger and Homelessness Awareness Week Nov 10-18
was commemorated on Tuesday, Nov. 13, with a rally/protest at the Humboldt County Courthouse in support of hungry and homeless neighbors.

Humboldt County has a huge number of houseless persons, and winter-is-a coming. We have registered these events with the National Hunger and Homeless Week website:
hhweek.org/get-involved/

AHHA-Affordable Homeless Housing Alternatives aaha-humco.org



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RICHARDSON'S GROVE IN COURT:

Greetings ... it has been awhile since there has been an opportunity to send an update but here is the latest development. As you may recall - if you have an excellent memory - the litigation against Caltrans on their supposed "improvement project" in Richardson Grove State Park has been pursued both in California State Court and in a companion suit in United States Federal Court.



Our Federal Court Judge, the Honorable Wm. Alsup issued the temporary injunction that has stopped the project. Now we are back in Court once more before Judge Alsup. At this hearing both sides will present Motions for Summary Judgement. What this means is that each side will argue that its case should prevail as a matter of fact and law.

Observers are welcome if you can make the trip. The hearing will be held on Thursday, November 29 in U.S. District Court in San Francisco at 8:00AM. We will be issuing another update from our attorneys in the next week or so to give you more background but we wanted to give "early notice" since planning a trip to San Francisco can involve some logistics. Plan to carpool to:

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Calendar for Judge William Alsup

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