

Berkeley's approval of demolition increases worries over rent

By Libby Rainey | July 9, 2016 | Updated: July 9, 2016 3:00pm

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Photo: Paul Chinn, The Chronicle

Berkeley has approved the demolition of an abandoned apartment building on Durant Avenue to make way for a five-story residential project with fewer affordable units, which has angered rent-control advocates.



Aquarium fish roundabout

11:00 AM
An ode to SF's 'infinite' Steinhart



Ginger Turmeric Cake

9:59 AM
Recipe: Matt Accarrino's Curry

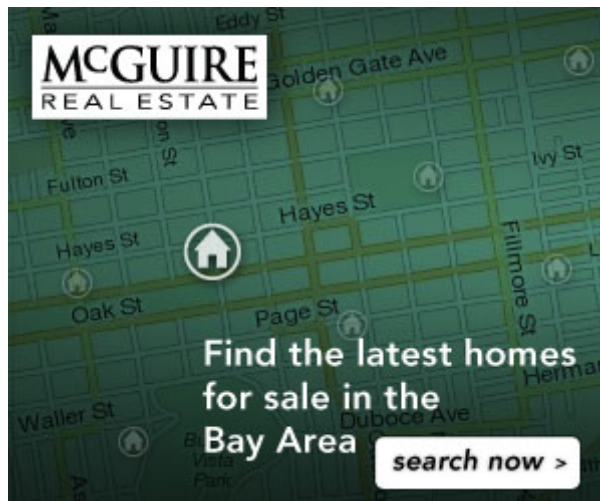


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will make the neighborhood even less affordable.

After years of contention, the Berkeley City Council recently approved the demolition of 18 rent-controlled units just a block from the UC Berkeley campus. A five-story, 56-unit building filled with pricey apartments will take its place.

The building, on Durant Avenue between Bowditch Street and College Avenue, has been vacant since the summer of 2014. The council's vote ended a prolonged battle between the property owner and advocates for rent control, who say the owner purposely allowed the building to deteriorate to speed its demolition.



“The city deciding to go ahead with the demolition really sets an ugly precedent,” said Nicole Yeghiazarian, a UC Berkeley student who once lived in the soon-to-be demolished apartment building. “I’m sure this is only the start.”

The building’s owner, Cliff Orloff, a managing partner at the firm OPHCA LLC, said four of the 56 apartments will be made available for very-low-income tenants, a move that will help him cover a mandatory fee to mitigate the impact of lost affordable housing on the city. Orloff said that despite his choice to bulldoze rent-controlled apartments, he believes that his new development will help housing in Berkeley rather than hurting it.



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The abandoned apartment building once housed 18 rent-controlled units. The proposed replacement will have four low-income apartments out of 56.

“The city of Berkeley has created the problem that has caused rent to be sky high, because demand has so far exceeded supply,” Orloff said. “The city wants affordable housing. On the other hand, they don’t want high density. It’s magical thinking.”

The city’s zoning adjustments board approved demolition of the apartments at 2631 Durant Ave. in June 2015, but action was stalled when both the building owner and representatives from UC Berkeley’s Associated Students of the University of California filed appeals.

After months of ping-ponging between city officials, the project will finally move forward after the council’s decision. The new building will house 40 studios and 16 two-bedroom apartments.

Most of the units will rent for what Orloff called a “competitive rate.”



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According to a report by the Rent Stabilization Board, the median rent for a two-bedroom apartment at the beginning of 2016 was \$2,395 — a 60 percent increase in the past five years. The median rent for a one bedroom was \$1,795 and for a studio apartment, it was \$1,450.

These prices far exceed the rent paid by tenants at the Durant Avenue complex before it closed down. Yeghiazarian shared a studio apartment in the old building from June 2013 to May 2014. Together, Yeghiazarian said, she and her roommate paid \$1,000 a month for a bedroom, bathroom and kitchen.

The rent was cheap, but the building was in disrepair, Yeghiazarian said. When she moved in, she said, there were grease stains on the kitchen walls and mold covering the windows.

The locks were often broken, and maintenance was inefficient, she said.

“It was definitely not habitable,” Yeghiazarian said. “There was this overwhelming sense that they didn’t want us there, and they wanted us to go.”



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Weeds flourish in front of an abandoned apartment building on Durant Avenue in Berkeley.

Building in disrepair

While the owner says the building was already in a state of disrepair when he purchased it, Yeghiazarian and others say Orloff let the building deteriorate. Yeghiazarian said she believes the building could have been rehabilitated rather than demolished had it been properly maintained.

Orloff purchased the building in July 2012 and continued to rent out its 18 units through May 2014. The building owner said that when he purchased the building it was already fully rented, and he said he would not have rented the apartments again for the 2013-14 school year had it not been for two tenants with 24-month leases.

“We did the best we could with an apartment building that was falling apart,” Orloff said. “There was no way to fix the building’s problems while tenants were still in there. Some of the issues were just patch it up and hope it holds.”

The building’s quality has only gotten worse since the vacancy. Police have found squatters in the building on occasion. Once the tenants had left, Orloff allowed the Berkeley Fire Department to conduct training exercises in the vacant building in 2014, according to city records. The department cut holes in the ceilings, walls and roof that led to water damage. Orloff said he was asked if the Fire Department could conduct training and did not seek it out.

Councilman Max Anderson said the building owner’s behavior has created a “pathway for unscrupulous people” who want to develop in previously rent-controlled areas in Berkeley.

Anderson and the rest of the City Council may have approved demolishing the building, but the fight will continue to determine how much Orloff will have to pay for razing rent-controlled units.

This spring, the city enacted a new demolition ordinance that requires any owner

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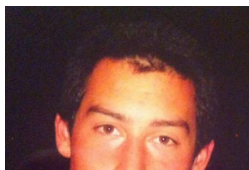
Orloff said he has filed suit to fight the fee, because he filed his application before the city approved the new ordinance and its exact cost had not been determined by the time the city approved the demolition.

Looking at outcome

The outcome of this fight may determine whether proponents of rent control believe the demolition is a victory or a failure.

“When we are getting rid of units that are affordable, we need to be sure that we are getting something back that allows people who don’t make tons and tons of money” to rent the new units, said Matthew Lewis, a fifth-year UC Berkeley student and the chairman of the student association’s housing commission. “We are against incentivizing developers to go and destroy existing affordable housing.”

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