

Selling Off California:

The Untold Story

**BY PATRICK RANGE MCDONALD
& HOUSING IS A HUMAN RIGHT**

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Note: Sections of this book first appeared as articles or special reports on the Housing Is A Human Right website. That material was written by Patrick Range McDonald and underwent new editing and rewriting by the author for this project.

About

Housing Is A Human Right is the housing advocacy division of AIDS Healthcare Foundation, the world's largest HIV/AIDS medical-care nonprofit. Housing Is A Human Right advocates for stronger tenant protections, community-based solutions for the housing affordability and homelessness crises, and innovative ways to produce more affordable and homeless housing. It also fights harmful policies pushed by the real estate industry. Housing Is A Human Right and AIDS Healthcare Foundation are based in Los Angeles, California.

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Chapter 1:

Shining A Light on Truth



Eric Garcetti, the mayor of Los Angeles, and Scott Wiener, a California state senator representing San Francisco, are top-tier examples of politicians who carry out a lucrative, deregulation, trickle-down housing agenda set by Big Real Estate. They take massive amounts of campaign cash from the real estate industry, and, in many ways, they're selling off the nation's second largest city and the country's largest state to developers, landlords, and real estate lobbyists. The consequences have been, and will be, devastating for poor and middle- and working-class residents. Similar politicians are pushing the same kind of deregulation, trickle-down approach in other states on the behalf of Big Real Estate. This short book is a cautionary tale for people everywhere.

As a longtime journalist, I've covered Garcetti since 2001, when he first ran for the Los Angeles City Council. When I joined Housing Is A Human Right as an advocacy journalist, I wrote extensively about Big Real Estate, Wiener, and YIMBYs, who also advance the real estate industry's scheme to make billions, probably trillions, at the expense of hard-working people. I've learned many things about them all. Things they don't want you to know.

With little media attention, politicians like Garcetti and Wiener, YIMBYs, and Big Real Estate form a kind of triumvirate: they routinely work together to end or manipulate land-use zoning in order to build as much luxury housing as possible, especially in middle- and working-class neighborhoods. They're powerful and deep-pocketed and dangerous

—they don't care all that much about the moderate- and lower-income people who are crushed by their policies.

The mainstream media haven't told this story in depth, if they write anything at all. That's why Housing Is A Human Right is publishing this book. We're aiming to shine a light on the truth and empower people by giving them essential information. Once we understand the true lay of the land, we can successfully fight back—and work to pass policies that help the poor and middle and working class, first and foremost. If we don't, Big Real Estate, the ultimate power in the triumvirate, will continue its destruction.

Chapter 2:

The Garcetti- fication of Los Angeles



Mayor Eric Garcetti, 2017 Inaugural Address

On an overcast evening, outside Los Angeles City Hall, on July 1, 2017, Mayor Eric Garcetti stood on a blue-carpeted stage, flanked by City Council members, and smiled widely. In front of several thousand people, with a right hand raised, he had just been sworn in for a second term. Garcetti was 46 years old, trim with salt-and-pepper hair, and wore a stylish navy suit with a red-striped tie. Known as the “hipster mayor,” he brimmed with an easy confidence, and gave the crowd, packed with wealthy supporters, a quick thumbs up before launching into a florid, 20-minute speech. AECOM, a multinational engineering firm, and Westfield Property Management, a global real estate company, each delivered \$50,000 to help pay for the pomp and circumstance.

Eyeing a teleprompter, Garcetti, a Democrat, spoke grandly. L.A., according to the mayor, was now “freer, safer, prouder.” The self-serving culture at City Hall had been changed, he said, and the public’s faith in L.A. government had been restored. Homelessness and sky-rocketing rents were problems, he acknowledged, but building up L.A. would provide many solutions, making “our dreams” come true. “Los Angeles,” Garcetti said with a grin, “we are builders, and we have begun that work—and we mean to keep at it.” It was perhaps the most accurate claim of his entire address.

Of all the promises Garcetti had uttered over the years, unleashing a flood of high-end development was the one pledge he had most made good on. By repeatedly carrying out a sketchy practice known as “spot

zoning”—ignoring the city’s land-use regulations and then approving developers’ requests for general plan amendments, height changes, and other entitlements—Garcetti and the City Council had, in a real way, deregulated zoning protections and turned L.A. into a wildly profitable city for real estate investors and developers, where they could construct nearly anything they wanted, wherever they wanted.

“The planning process in the city of L.A. has gotten out of balance,” former L.A. City Planning Commissioner Mike Woo told the *Los Angeles Times* in 2017. “There shouldn’t be so many requests for discretionary decisions moving through the system.”

With spot-zoning approvals in hand, upscale developers such as Colony Holdings, Kanon Ventures, Carmel Partners, and Merlone Geier Partners were free to build immense luxury-housing complexes in middle- and working-class neighborhoods in Koreatown, South L.A., and the San Fernando Valley, where a chain reaction of gentrification and the displacement of longtime residents would undoubtedly explode.

On many days, it appeared as if City Hall had reverted to a Wild West outpost, where developers and their associates routinely shelled out campaign cash to the mayor and council members and the politicians returned the favor by abandoning the rule of law and handing over spot-zoning approvals—a shady arrangement known as “pay-to-play.” In fact, an FBI corruption probe would look into that crooked scheme, focusing, in 2018, on L.A. Councilman and Planning and Land Use Management Committee Chair Jose Huizar and then expanding the investigation to other government officials. The pay-to-play scandal would rock City Hall, and Huizar would be hit, in 2020, with federal bribery, fraud, and money-laundering charges. He pleaded not guilty.

During Garcetti’s first mayoral term, glass-and-steel luxury-housing towers and gigantic, market-rate apartment complexes popped up all over L.A.—and developers, landlords, and real estate investors, who

had contributed millions in campaign cash to Garcetti and City Council members over the years, would make vast fortunes. In 2017, for example, L.A. tenants paid landlords a staggering \$38.4 billion in rent, according to Zillow, the real estate site. By 2019, L.A. renters handed over \$39.1 billion.

Garcetti championed a “build, build, build” agenda to fix L.A.’s ongoing housing affordability crisis. It aimed to inundate the rental housing market with luxury apartments with the suspicious logic that, somewhere down the line, rents would drop for the poor and middle and working class—who were suffering the brunt of the housing affordability emergency. Activists hated Garcetti’s luxury-housing push, saying it was really a “trickle-down housing” strategy. The affluent would get their luxury housing with such perks as concierge service and doggy daycare, and the real estate industry would make colossal profits, but it didn’t immediately produce the affordable housing that moderate- and lower-income residents needed right now. Worse, luxury housing built in middle- and working-class neighborhoods would fuel gentrification, higher rents, more evictions, and more homelessness.

But Garcetti wasn’t interested in what activists had to say, and his trickle-down housing agenda was eagerly embraced by City Council President Herb Wesson, Councilman Huizar, and nearly all of the other council members. It was executed with catastrophic consequences. The mayor didn’t use his inauguration to go into the details, but housing justice activists knew what was happening. Even City Hall databases, created by the mayor’s “innovation team,” showed what was emerging. Middle- and working-class Angelenos, particularly people of color and immigrants, were getting slammed by a citywide gentrification crisis. And with that came soaring rents, rising evictions, huge numbers of middle- and working-class residents forced out of their longtime neighborhoods, and worsening homelessness. People’s worlds were collapsing—and a humanitarian crisis was unfolding.

By the end of 2017, the median rent for a one-bedroom in L.A. was a whopping \$2,200, ranking the city sixth among the top 10 U.S. metropolises with the highest median rents. Between July 2013 and July 2017, during Garcetti's first term in office, developers and landlords evicted tenants in 4,869 rent-controlled units, according to the Coalition for Economic Survival and Anti-Eviction Mapping Project, utilizing a somewhat obscure state law known as the Ellis Act. With an average household size of 2.8 persons in L.A., that's at least 13,633 people who were kicked out of their affordable homes.

Between 2001 and 2016, the *L.A. Times* found that a stunning 20,000 rent-controlled units had been yanked off the market. "Looking to cash in on a booming real estate market," the *Times* reported, "Los Angeles property owners are demolishing an increasing number of rent-controlled buildings to build pricey McMansions, condos and new rentals, leading to hundreds of evictions across the city."

With rents and evictions rising, homelessness exploded. From 2016 to 2017, L.A.'s unhoused population spiked by 16 percent: 33,138 men, women, and children were living on the streets—and homeless advocates believed the real number was much larger. The Los Angeles Community College District, for example, found that 19 percent of its 230,000 students had been recently homeless in 2017. Even worse, according to the L.A. County Department of Public Health, deaths among people experiencing homelessness in L.A. County increased each year between 2014 and 2017, totaling 3,237 unhoused residents who had lost their lives on the streets.

Gentrification was so bad in Los Angeles that, in 2018, the Downtown L.A. ZIP code 90014 was ranked by RENTCafe as the most gentrified neighborhood in the entire nation. And Garcetti and the City Council, through their backroom deals with developers and trickle-down housing agenda, were aggressively fueling it. They were, in fact, engaging in government-sanctioned gentrification. It was something the media often overlooked, and many Angelenos didn't understand.

In L.A., and other U.S. cities, younger people looking for a cheap neighborhood to live are no longer the underlying force in gentrifying middle- and working-class communities. The media often frames gentrification that way, but noted scholars, such as the late Neil Smith, the prominent anthropology and geology professor, think that's woefully outdated. Smith and author Peter Moskowitz, who wrote the well-regarded book *How to Kill A City: Gentrification, Inequality, and the Fight for the Neighborhood*, argue that developers and real estate investors are now leading the gentrification charge.

"To explain gentrification according to the gentrifier's preferences alone," Smith wrote in his landmark book *The New Urban Frontier: Gentrification and the Revanchist City*, "while ignoring the role of builders, developers, landlords, mortgage lenders, government agencies, real estate agents—gentrifiers as producers—is excessively narrow. A broader theory of gentrification must take the role of the producers as well as the consumers into account, and when this is done it appears that the needs of production—in particular the need to earn profit—are a more decisive initiative behind gentrification than consumer preference."

Lured by favorable local and state government policies such as tax subsidies, land-use deregulation, and entire rezoning of neighborhoods, developers and real estate investors jump into inexpensive urban areas *before* younger people gentrify a community—after all, properties will cost less. Developers, with the help of local and state politicians, then fire up gentrification themselves with luxury-housing complexes and top-dollar rents. Other landlords in the neighborhood follow suit, jacking up rents, one way or another, at their apartment buildings.

"The policies that cause cities to gentrify are crafted in the offices of real estate moguls and in the halls of city government," Moskowitz wrote in *How to Kill A City*. "The coffee shop is the tip of the iceberg."

At the end of his inauguration speech, as the sky grew dark, Garcetti boasted that Los Angeles is a “paradise.” In truth, L.A. had become a world-class cautionary tale about modern-day gentrification—and how politicians vigorously push it through. It’s a story that’s unfolded over years, often behind closed doors, with Garcetti at the center of the disaster. Tragically, L.A., once an affordable home for immigrants, seniors, single moms, dreamers, and many other middle- and working-class Angelenos, had been Garcetti-fied.

Chapter 3:

“Wiener Owned By Big Real Estate”



Activists at UCLA's Economic Outlook

Halfway into 2018, California State Senator Scott Wiener, always eager to promote his controversial housing policies, took a quick trip to Los Angeles. He had landed a coveted spot as a featured panelist at UCLA's Economic Outlook, a high-powered seminar attended by real estate insiders and corporate executives. Held at Korn Convocation Hall, it was the kind of privileged setting that's usually a safe haven for Wiener. This time, things would be different.

As Wiener sat on the stage and prepared to speak, three housing activists, who were colleagues of mine, quietly approached, unfurling a large, yellow banner a few feet to his right. Wiener couldn't see the words spray painted on the front of it, but he sensed what was written wasn't flattering. He had been through this kind of protest before, so he was ready with a standard response, trying to come off as if he was taking the high road.

“Democracy in action,” the state senator told the audience. “So people can have their opinion.”

Wiener, sitting upright in an unbuttoned gray suit, kept glancing over at the activists—one man and two women, standing silently. He was attempting to answer a question from Stuart Gabriel, director of the UCLA Richard S. Ziman Center for Real Estate and board member of development giant KB Home. Gabriel, who had just praised Wiener's dangerous housing policies as “spectacular,” and whose center received significant funding from real estate titans such as developer Jeffrey Worthe, landlord Tod

Spieker, and developer Nelson Rising, wanted the state senator to share the philosophy behind his aggressive brand of legislating.

At 48 years old, Wiener had been deemed, by sympathetic journalists and academics like Gabriel, as something of a visionary. That happened when he introduced SB 827, the 2018 land-use deregulation bill that sought to override local zoning rules throughout California and give upscale developers free rein to build dense, luxury housing near transit stops. It was similar to the “build, build, build” or trickle-down housing approach that Garcetti pushed in Los Angeles, but on a much larger, statewide scale.

Big Real Estate and Big Tech wholeheartedly embraced SB 827, but a broad coalition of housing justice and social justice groups vigorously opposed it. Housing Is A Human Right and other organizations said the legislation was just another luxury-housing bill that would enrich the real estate industry and fuel gentrification and displacement—without certain zoning protections, middle- and working-class neighborhoods would be overtaken by upscale development and escalating rents and residents would be pushed out. SB 827 also did next to nothing to urgently address California’s housing affordability crisis—more affordable housing needed to be built, not luxury. Many activists believed the bill, if passed, would make a terrible situation worse for middle- and working-class Californians.

Much of the academic elite and mainstream media—many of whom champion the same trickle-down housing agenda pushed by the real estate industry and politicians—swept aside activists’ valid concerns. The grassroots, however, mustered enough sway to stop SB 827 in April 2018.

Now, at UCLA, Wiener was still fighting for his deregulation bill, which he planned to reintroduce. With the three activists showing no signs of leaving, the state senator struggled, at first, to find his mental footing. But the thrust of his long, seven-minute reply seemed sensible: California was suffering from a major housing shortage, more housing needed to be

built, and that new housing should be located at transit stops. “We need to be strategic and say that housing needs to be near where people work and accessible to public transportation,” Wiener explained.

But what was most telling were the things Wiener didn’t include in his answer. Incredibly, as a self-appointed housing expert, in a state where housing affordability and homelessness crises were slamming millions of Californians, such words as “gentrification,” “displacement,” “housing affordability crisis,” “homelessness crisis,” and “tenant protections” never passed Wiener’s lips. Why? The activists holding the yellow banner supplied their answer in big, black, capital letters: WIENER OWNED BY BIG REAL ESTATE.

For years, Wiener, a Democrat and one-time San Francisco supervisor, has relied on campaign contributions from landlords, developers, real estate attorneys, property management firms, brokers, architects, and other Big Real Estate insiders to get elected and stay in power. That was particularly true for his run to win a seat in the California State Senate.

For that 2016 race, Wiener hauled in nearly 700 contributions from Big Real Estate, totaling \$574,276, according to state filings. That cash helped Wiener, described by the San Francisco Tenants Union as a “tool of the landlords, big realtors, and special interests,” squeak by his underdog opponent, Jane Kim. He was indebted to the real estate industry, and had been relentlessly pushing housing and land-use policies, such as SB 827 and its troubling reboot, SB 50, that could generate billions for his real estate contributors. Big Tech, which had its own issues with housing justice activists in the Bay Area and were also starting to embrace a trickle-down housing agenda, shelled out 412 contributions to Wiener’s 2016 campaign, totaling \$379,836.

But Wiener wasn’t just doing the bidding of Big Real Estate and Big Tech. As a powerful state senator who introduced one bill after another, he

launched legislation that could generate major profits for other contributors: bar and nightclub owners, beverage conglomerate Anheuser-Busch, pharmaceutical giant Gilead Sciences, and the solar industry.

Only days before Wiener introduced bill SB 288, which supposedly allowed customers to more easily install solar panels, the solar industry, including the Solar Energy Industries Association California PAC and solar installer Petersen Dean, poured more than a dozen contributions totaling \$9,150 into the state senator's 2020 re-election campaign between February 2 and February 8 of 2019, according to state filings. Curiously, 11 of the 14 contributions were the same amount: \$750.

Wiener also advanced legislation, in January 2019, that would allow people to obtain HIV-prevention pills without a doctor's prescription, even though the Centers for Disease Control and Prevention (CDC) strongly recommended doctor consultations. Gilead Sciences, which manufactured Truvada, an HIV-prevention drug that can cause serious side effects, shelled out \$8,800 to Wiener's 2020 re-election campaign, including a \$4,400 contribution on October 25, 2018. Truvada generated \$3 billion in revenue for Gilead in 2018.

And Wiener put forward a bill, in December 2018, that would allow bars in San Francisco and other select cities in California to push back closing time to 4 a.m. Governor Jerry Brown had vetoed a previous version of the legislation, explaining that the "California Highway Patrol strongly believes increased drinking will lead to more drunk driving."

Wiener didn't listen, and re-introduced the bill a few months later—he's raked in thousands in campaign cash from bar and nightclub owners, including a total of \$8,800 from the "King of Beers," Anheuser-Busch Companies, for Wiener's 2020 re-election bid. In fact, the brewer delivered a \$4,400 contribution on December 6, 2018. Eleven days later, Wiener revived the bar closing bill. With longer bar hours, Anheuser-Busch could sell more beer—and make bigger profits.

According to *The Nation*, Wiener's favors to his campaign contributors was a troubling pattern unfolding among Democrats in California.

"There's a shadow over California politics," *The Nation* reported in 2016. "When the corporations' favorite political party became hopelessly weak, they set out to gain power in the other one. Their tool, of course, was money. So now we have some Democrats taking corporate money and doing the bidding of the oil and gas industry, agribusiness, the real estate developers, Big Pharma, and some of the billionaires."

The mainstream media, for some curious reason, rarely mentioned Wiener's mountains of cash from Big Business. But he was, without a doubt, a Corporate Democrat, serving himself and his campaign contributors before all others. Like Garcetti, Wiener had been doing it for years, under the radar, with disturbing results in San Francisco. Now, as a state senator, his backroom dealings could damage the whole of California.

Chapter 4:

The Foundation for L.A.'s Gentrification Crisis



Mayor Eric Garcetti

In 2001, Eric Garcetti, a 30-year-old assistant professor of diplomacy and world affairs at Occidental College, decided to run for the Los Angeles City Council in District 13. The young candidate had name recognition because of his father, Gil Garcetti, a well-known Democrat who had served two, high-profile terms as the Los Angeles County District Attorney—the O.J. Simpson murder trial was tried under Gil. Eric billed himself as a strong progressive Democrat with the soul of a community activist. He promised to fight for affordable housing; overhaul the Los Angeles Police Department; and practice a new kind of politics that would steer clear of City Hall's wheeling-and-dealing ways.

It was all the right messaging for a candidate in District 13. At the time, it was a distinctly eclectic, liberal area: home to working-class families, artists, activists, and union members. Located northwest of Downtown L.A., the district included the neighborhoods of Hollywood, East Hollywood, Silver Lake, Echo Park, Atwater Village, and Elysian Valley. The majority of the population was Latino, followed by whites and Asian Americans. Eighty percent of the residents were renters, and 22 percent of households lived below the poverty line. Over the decades, prominent progressive figures, including gay rights icon Harry Hay, *The Nation* magazine editor Carey McWilliams, and Chicano rights activist and teacher Sal Castro, lived in District 13.

As a reporter, I covered Garcetti's 2001 campaign with a healthy skepticism. He appeared to have the right kind of politics, but I knew his upbringing was not working class. He was born and raised in Encino, a mostly white, affluent neighborhood in the San Fernando Valley. His father rose steadily through the ranks at the L.A. County District Attorney's Office, and his maternal grandfather, Harry Roth, was a men's clothing magnate. Eric went to the best schools: the elite L.A. prep school Harvard-Westlake; Columbia University in New York; and The Queen's College, Oxford, as a Rhodes Scholar. Garcetti, a young jazz pianist, initially attended Columbia to pursue a career in the theater.

"It's funny, because I hate musicals," he told a Columbia alumni newsletter, "but I really enjoyed writing them."

Unlike me, the L.A. media became smitten with Garcetti's youth, pedigree, and academic credentials. By the end of the race, he narrowly defeated one-time L.A. councilman Mike Woo. Garcetti, who lived in a meticulously restored mid-century house in Echo Park that was featured in *Dwell* magazine, was re-elected in 2005 and 2009.

As a council member, Garcetti quickly landed a reputation as pro-development, with a love for luxury-housing mega-projects, especially in Hollywood—the world-famous, yet largely working-class neighborhood. He backed the massive, high-end W Hotel at Hollywood and Vine, which included 296 rooms, 350 apartments, and 145 condominiums. And he supported the upscale redevelopment of Columbia Square at Sunset and Gower, where a 20-story residential tower with 200 luxury units now stands. Outside of District 13, Garcetti voted in favor of many other luxury-housing developments.

The real estate industry returned the favor. Between 2001 and 2013, his entire time representing District 13, Garcetti received at least \$452,908 in campaign cash and other political monies from developers and real estate players, according to the city's Ethics Commission. Leading

developers such as Jeffrey Worthe of Worthe Real Estate Group, William Witte of Related California, and Jerome Snyder of J.H. Snyder Company sent sizable checks. Abandoning his campaign promise to be a new kind of politician, Garcetti was playing the insider's game at City Hall.

In 2006, Garcetti came into real power: his colleagues elected him City Council President. The council president works closely with the mayor, moves or stops legislation going through the system, and chooses chairpersons for City Council committees, such as the influential Planning and Land Use Management Committee. If Garcetti, for example, disapproved of land-use decisions by PLUM that stoked gentrification, he could replace the chairperson with a different council member. That never happened.

Throughout his six-year reign as council president, Garcetti handled the public and media with an outgoing, upbeat personality, always trying to make a friendly connection. But the smiling face and sunny disposition masked, in a way, a politically-calculating, detail-oriented mind. Known for his caution, Garcetti never undertook something without figuring out the political risks. Hollywood activist Ziggy Kruse once told me about Garcetti: "The only time he goes with the community is when it's a politically smart move."

The former Rhodes Scholar, in other words, can't plead ignorant about L.A.'s gentrification crisis—or claim that he didn't know his policies were fueling gentrification. It's been quite the opposite. Garcetti and his colleagues, quietly and with little public knowledge, helped trigger citywide gentrification.

California law requires that a city continually updates its "general plan," a kind of land-use constitution that sets the rules for developers, city officials, and residents. In a substantive way, a general plan protects residents—from runaway luxury development, bad or corrupt land-use decisions made by politicians, and developer greed. But in October

2005, the L.A. City Council, including Garcetti, discreetly approved a repeal of the municipal code that required the politicians to update the general plan on a schedule. It would be a game changer for City Hall leaders and developers for years to come.

The repeal was the kind of under-the-radar chicanery pulled off by local politicians that gives birth to the “preparatory phase” of gentrification, according to *How to Kill A City* author Peter Moskowitz.

“[It] is rarely seen or talked about because it happens so long before most people witness gentrification in action,” Moskowitz wrote, “but this stage is crucial for understanding gentrification.”

This has happened at city halls all over the United States, including San Francisco, New Orleans, and New York. In L.A., the preparatory phase worked this way. By not requiring themselves to update the general plan, City Council members gave themselves a public excuse for delivering spot-zoning favors to developers. Since the general plan and its rules are outdated, L.A. politicians say, the city needs to keep up with the times and the council members must spot zone, handing over land-use approvals that are not normally allowed under the general plan.

At L.A. City Hall, all spot-zoning and other land-use requests from developers go through the Planning and Land Use Management Committee, or PLUM. Once it grants approvals for a project, the development heads to the full City Council for a vote. Rarely, if ever, does the City Council oppose a project once it goes through PLUM. After the council gives its blessing, the mayor must sign off. Everyone, from the City Council to the mayor, is involved in spot zoning—and continues to be.

Community activists abhor spot zoning—a luxury-housing tower can be suddenly dropped into a middle- or working-class neighborhood, with

gentrification and the displacement of long-time residents soon taking off.

Spot zoning was getting so out of hand during Garcetti's time as council president that former L.A. planning department director Gail Goldberg said candidly in 2008: "In every city in this country, the zone on the land establishes the value of the land. In Los Angeles, that's not true. The value of the land is not based on what the zone says... It's based on what [the] developer believes he can change the zone to. This is disastrous for the city. Disastrous. Zoning has to mean something in this city."

Spot zoning, an effective tool for government-sanctioned gentrification, also fuels "soft corruption" or "pay-to-play." Since City Council members and the mayor have land-use approvals that they can sell to the real estate industry, developers have something to buy from City Hall. Corruption and gentrification, in other words, are intertwined—and middle- and working-class residents suffer the bad consequences.

Predictably, developers and other real estate insiders are among the top contributors of campaign cash and other political money at City Hall. Between 2005 and 2017, the real estate industry forked over at least \$4.4 million in campaign contributions to L.A. candidates, according to the city's Ethics Commission. Alice Callaghan, a highly respected homeless advocate in L.A.'s Skid Row neighborhood, noted: "Developers are reaping huge profits by lining the pockets of City Council members and the mayor while taxpayers are being asked to foot the bill to shelter those made homeless by these greedy developers and politicians."

In 2017, Coalition to Preserve L.A., which I once worked for, released an investigative report that detailed the widespread pay-to-play culture at City Hall. The findings, culled from City Hall documents, showed that upscale developers and their lobbyists repeatedly met behind closed doors with City Council members and their staff and the Mayor's Office; routinely shelled out campaign contributions to numerous council

members, particularly those serving on the Planning and Land Use Management Committee; and consistently received the spot-zoning favors they sought—or, more accurately, bought.

The report concluded: “While non-transparent meetings and dinners between developers, elected city leaders, and their staffs take up an enormous amount of elected leaders and their staffs’ time (and even draw in the staff of the City Planning Department), these public officials almost never meet with voters and residents who question the non-transparent meetings and developer plans.”

During Garcetti’s six years as City Council president, L.A.’s general plan was never updated, the secretive 2005 vote was never fixed, and substantive campaign finance reform was never passed. The foundation for a gentrification crisis had been laid—and Garcetti, always ambitious, had bigger plans for himself and the city of Los Angeles.

Chapter 5:

An Appalling Legacy in San Francisco



Scott Wiener

As Garcetti cemented his power in Los Angeles, Scott Wiener, in 2010, made his own move—running for San Francisco supervisor in District 8. A 40-year-old deputy city attorney, he wasn't a candidate to get excited about—unless you were a real estate hotshot. It was a time when African Americans were getting shoved out of San Francisco at a disproportionately greater rate than other ethnicities; a years-long, upward trend of evictions started slamming the city's tenants (from 1,372 in 2010 to 2,304 in 2015); and San Francisco, with its soaring rents, was ranked the fifth most expensive metropolis to live in the entire nation. But Wiener, an openly gay candidate in a heavily LGBT district, didn't talk about gentrification, tenant protections, or affordability issues on the campaign trail. Instead, he focused on the “basics” of government.

For a campaign video, which essentially laid out the key planks of his basics platform, Wiener explained that he was keen on fixing public transportation (“Like moving away from cash fares so we can speed up the boarding process and having better spacing of bus stops”); updating the San Francisco Police Department (“Supporting Chief Gascon's modernization of the department's technology, the way it investigates crimes, and so forth”); and creating more jobs (“Having City Hall be a tool to help attract businesses”). That last quote gave a revealing glimpse into Wiener's political priorities—rather than emphasizing that government could help people, he went the other way and held up business. The professional class, particularly those in the real estate

industry, thought they had a winner. They pumped sizable checks into Wiener's campaign coffers.

"While [Rafael] Mandelman is labor's candidate for District 8," wrote Paul Hogarth for *Beyond Chron*, a San Francisco news site, in 2010, "Scott Wiener is clearly the favorite of landlords and real estate interests. A *Beyond Chron* review of Wiener's filings for this quarter counted \$6,175 from donors who listed 'realtor' (or something similar) as their occupation, \$6,225 from landlords or property managers, and \$2,275 from developers. If anything, these figures underestimate his real estate money—because many landlords put 'retired' or 'self-employed' as their occupations. Notable Wiener donors included Senator Dianne Feinstein, Pacific Heights fundraisers Mark and Susie Tompkins Buell, [tech] angel investors Ron and Gayle Conway, and landlord advocates Janan New and David Fix."

Wiener, the son of an optometrist, was comfortable mixing with the powerful and elite. He grew up in a New Jersey suburb outside Philadelphia, and graduated from Duke University in 1992, winning a Fulbright scholarship to study 18th century colonial government in Chile. In 1996, Wiener graduated from Harvard Law School, and then clerked for a New Jersey Supreme Court justice. By 1997, he landed in San Francisco, living in a gay enclave known as the Castro and working as a litigation attorney at Heller Ehrman White & McAuliffe. The international law firm represented such big businesses as Levi Strauss, Consolidated Foods, McDonald's Corporation, and Northrop Grumman Corporation. Wiener moved to the San Francisco City Attorney's Office in 2002. Associates, according to the news site SFGate, routinely described him as "hard-working."

Yet housing activists were uneasy about exactly who Wiener would work hard for. Just before Election Day, it was revealed that San Francisco real estate investor Thomas Coates, who had shelled out nearly \$1 million to an unsuccessful 2008 ballot measure that would have phased

out rent control in California, delivered \$10,000 in campaign cash to an independent expenditure committee that backed Wiener and at least \$200,000 to other “moderate” candidates for the board of supervisors. (In San Francisco, elected officials, who are usually Democrats, are described as either “progressive” or “moderate.” In 2018, the San Francisco Public Press rated Wiener as “the most moderate, or right-leaning” among all the city’s present-day politicians.)

San Francisco Democratic Party Chairman Aaron Peskin, who would later be rated the “most progressive, or left-leaning” member of the board of supervisors, told SFGate that Coates’ hefty contributions “threaten all San Franciscans who think elections shouldn’t be for sale.” Wiener defeated Rafael Mandelman by 2,383 votes.

In 2014, Wiener was re-elected to the board of supervisors, with even more enthusiastic backing from the real estate industry. The San Francisco Apartment Association, infamous landlord Russell Flynn, real estate investor Thomas Coates (once again), and all sorts of developers, realtors, and real estate players whipped out their checkbooks. The Anti-Eviction Mapping Project, based in San Francisco, found that the real estate industry had contributed an eye-popping 41 percent of all campaign monies that went to Wiener’s 2014 re-election bid.

Several of those contributors included predatory property owners known for mass evictions and harassing tenants. “Wiener’s district is part of ground zero for the Ellis Act,” reported the Anti-Eviction Mapping Project.

The Ellis Act is a state law that allows a developer or landlord to evict tenants in a rent-controlled apartment building and then turn the property into a condo complex or boutique hotel. In effect, the Ellis Act turns affordable housing into luxury housing. Activists widely consider the law as a ruthless tool to gentrify middle- and working-class neighborhoods—another example of government-sanctioned gentrification.

Between 2011 and 2016, Wiener's entire time as a supervisor, the Anti-Eviction Mapping Project found that 1,054 Ellis Act evictions took place in San Francisco. With an average household size of 2.3 persons, that's roughly 2,424 people who were kicked out of their apartments to make way for luxury accommodations. Activists decried that a massive gentrification crisis was sweeping through the city.

"San Francisco's gentrification has reached a ridiculous new extreme," Causa Justa :: Just Cause, a Bay Area social justice group, wrote in 2014, "making it the most expensive city in the country, outstripping even Manhattan, the home of Wall Street and its corporate tycoons."

Even the *New York Times* took note of San Francisco's gentrification crisis, which was severely impacting the African American community. In a 2016 article, titled "The Loneliness of Being Black in San Francisco," the *Times* reported that the "decline [of the African American population] has been steady and noticeable. One of seven residents was black in 1970. Today, it is nearly one of 20, with most of the city's 46,000 blacks living in public housing."

The *Times* further reported: "The reasons for the [African American] migration are in large measure economic: Skyrocketing real estate prices fueled by high-paying tech jobs have priced out middle-class residents of all ethnicities. But the exodus was also accelerated by a domino effect of black businesses and families moving away, many of them to Oakland and other cities along the East Bay."

Yet Wiener didn't cross his political patrons in Big Real Estate and advance strong anti-gentrification measures that could hurt their outsized profits. He also didn't aggressively lobby state legislators to repeal the Ellis Act.

Instead, Wiener proposed an ordinance backed by the real estate industry that would have turned 2,000 rent-controlled units into luxury condominiums. He was also one of only two supervisors who opposed,

in 2016, legislation that increased the number of affordable housing units a developer must include in a new project—the kind of policy developers detest. “The market should be accountable to building more affordable and middle income housing and not just luxury housing,” explained San Francisco Supervisor Jane Kim. Wiener didn’t agree—he was already hauling in campaign cash from the real estate industry for his 2016 state senate run.

Wiener also did right by his Big Tech contributors, who were also shelling out major money to his state senate campaign. First, he opposed the 2016 “Tech Tax.” The proposed San Francisco ballot measure would have levied a payroll tax on tech companies, generating up to \$140 million annually to help build affordable housing and pay for homeless services. Housing justice activists supported the initiative as a way to finally, and urgently, address San Francisco’s homelessness emergency. Big Tech hated the measure. It didn’t get enough support from the San Francisco Board of Supervisors, including Wiener, and failed to land on the city ballot.

That same year, Wiener again went against housing justice activists and backed Proposition Q. The San Francisco ballot measure, funded by Big Tech and longtime Wiener contributor Thomas Coates, allowed the city to more easily clear homeless encampments, further criminalizing homelessness. While Big Tech didn’t want to be taxed to help the unhoused, the industry wholeheartedly supported sweeping them off the streets. Such sweeps do nothing to deal with the root causes of homelessness.

John Burton, chairman of the California Democratic Party at the time, insisted that Proposition Q was only a “guise of solving a problem when it merely pushes it down the street or into other neighborhoods.” He added: “As a former elected official, one of the things that bothered me the most was elected officials who use the poor for their own political advancement.”

Regardless, San Francisco voters approved the measure.

Wiener carried out the wishes of his campaign contributors in Big Real Estate and Big Tech. But his refusal to increase funding for affordable housing and homeless services coupled with his backing for homeless sweeps would leave behind an appalling legacy.

In January 2018, the United Nations special rapporteur on adequate housing, Leilani Farha, toured San Francisco to investigate homelessness. She told the *San Francisco Chronicle* that she was “completely shocked” by the conditions on the streets. Months later, in October 2018, Farha released a scathing report, explaining what she saw: “Attempting to discourage residents from remaining in informal settlements or encampments by denying access to water, sanitation and health services and other basic necessities, as has been witnessed by the Special Rapporteur in San Francisco and Oakland,... constitutes cruel and inhuman treatment and is a violation of multiple human rights, including the rights to life, housing, health and water and sanitation. Such punitive policies must be prohibited in law and immediately ceased.”

Wiener, who’s usually quick with a rebuttal of some sort, said little, if anything, about Farha’s findings. Two years later, during the COVID-19 pandemic, San Francisco politicians were desperate to find shelter for the city’s unhoused population to protect them from the lethal disease.

Chapter 6:

A Gentrification Template for a New L.A.



With six years under his belt as the City Council president, Eric Garcetti had one, all-consuming goal: to be elected the forty-second mayor of Los Angeles. Sounding like other middle-of-the-road politicians, including Scott Wiener, Garcetti promised, in 2013, to be a “back-to-basics” leader, touting himself as a “problem solver” with “proven results.”

Those results largely involved his work in Council District 13, particularly the “revitalization” of Hollywood, the neighborhood. (“Revitalization” is a sneaky term used by elected officials and bureaucrats who want to avoid using the politically loaded word “gentrification.”) I was working at *L.A. Weekly* at the time, and I had a gut feeling that what Garcetti considered achievements would likely be someone else’s nightmare. I took a deep dive into his record.

My investigative cover story, titled “Hollywood’s Urban Cleansing,” was unsettling. I found that 12,878 people—mostly Latinos—left Hollywood and East Hollywood between 2000 and 2010, largely due to gentrification. Garcetti represented those working-class neighborhoods between 2001 and 2013. With Garcetti championing more luxury housing, the mass departure took place almost entirely on his watch. Activists were outraged over my findings—and still hold up “Hollywood’s Urban Cleansing” as proof that Garcetti is not a friend of working people.

What was also disturbing was that Garcetti publicly declared, at a mayoral candidates' forum I attended, that Hollywood would be his "template for a new Los Angeles." Put another way, Garcetti planned to apply the same gentrification formula he utilized in District 13 to the entire city—in the name of some lop-sided version of progress in which the rich get richer and the poor get poorer. That would include pushing luxury-housing mega-projects through City Hall's approval process by using spot zoning—one of the key government tools to gentrify L.A.

Many Angelenos understood that Garcetti's version of progress didn't include everyone. For "Hollywood's Urban Cleansing," Mercedes Cortes, a 61-year-old mother and housekeeper, who had been pushed out of her Hollywood apartment because of rising rent, said to me, "When they start to build something, why does the middle class have to suffer for that?"

My investigation also revealed that at least 150 residents of a Hollywood apartment building were threatened and harassed by a landlord who wanted them gone. Most of them were Latino. One resident contacted Garcetti, but he did nothing. Under threat of being reported to federal immigration officials, the tenants fled their longtime, affordable apartments, which were then demolished to make way for a luxury-housing complex proposed by Watt Commercial Properties. The firm's employees had shelled out at least \$6,850 in campaign cash to Garcetti, according to the city's Ethics Commission.

For a follow up to "Hollywood's Urban Cleansing," I looked into the housing and tenant rights records of 2013 mayoral candidates Garcetti, Wendy Greuel, and Jan Perry, all of whom served on the City Council. In the *L.A. Weekly* article, "Rent Activists Hit Greuel and Garcetti," advocates sounded off.

"The City Council over the past several years has completely ignored tenants," Becky Dennison, then co-director of the Los Angeles Community Action Network, an anti-poverty group, told me, "and are pushing forward a landlord's agenda."

Larry Gross, executive director of Coalition for Economic Survival, a tenants' rights group, said middle- and working-class residents, living in rent-controlled apartments, were constantly getting evicted through the Ellis Act. "Our phones lit up in terms of people trying to deal with condo conversions," Gross told me.

Barbara Schultz, then directing attorney of the housing unit at the Legal Aid Foundation of L.A., emphasized the importance of preserving L.A.'s affordable housing stock. "You can never build your way out of an affordable housing crisis," she explained.

Dennison added that the City Council had shown "no political will to move forward" on a comprehensive plan to preserve rent-stabilized units.

In fact, Garcetti and the City Council were more interested in figuring out ways to subsidize developers or give them tax breaks—more tools for government officials to gentrify. Such as the \$52-million taxpayer subsidy for billionaire developer Eli Broad, who got the money to build a parking garage for his Downtown L.A. modern art museum. Garcetti and his colleagues also approved a \$30-million loan to developer CIM Group, which used the cash to retrofit the former Kodak Theater, home of the Oscars, on Hollywood Boulevard. Garcetti and the City Council handed over hundreds of millions to developers.

When I approached Garcetti for the article, he downplayed his role as council president. He told me it was up to the mayor, not him, to create the political will to push forward a pro-tenant, affordable-housing agenda. It was a dodgy statement. But six months later, Garcetti won the mayoral election. His time had come to do what he supposedly couldn't do.

Chapter 7:

A Wave of Gentrification



Between 2001 and 2013, Los Angeles ran up an alarming statistic: tenants in 17,290 rent-controlled units, according to the Anti-Eviction Mapping Project and the Coalition for Economic Survival, had been evicted by landlords and developers using the Ellis Act. Given L.A.'s average household size of 2.8 people, roughly 48,000 tenants had their lives turned upside down during Garcetti's twelve years as a City Council member.

But now things were different. As the recently elected “back-to-basics” mayor, Garcetti, a self-described progressive Democrat, had the power to change things, according to the hazy logic he shared with me. He could build up the political will to improve the lives of hard-working Angelenos, and utilize a broad coalition of social and housing justice organizations that desperately wanted to repeal the Ellis Act and pass stronger tenant protections. Garcetti, the leader of a world-class city, could kick things into gear, and help fix an inherently unfair, broken housing market.

“When the housing market is as dysfunctional as it is in many parts of California,” Dr. Stephen Barton, a former housing director for the city of Berkeley and co-author of a UC Berkeley research brief on rent control, noted, “tenants are effectively subsidizing landlords with rent payments above what a fully competitive market would allow landlords to charge.”

What did the hipster mayor do? Nothing.

Garcetti, City Council President Herb Wesson, and the rest of the City Council—leaders of the largest city in California—never once tried to scrap, or even reform, the Ellis Act. Instead, during Garcetti’s first mayoral term, another 4,193 evictions took place through the state law. That’s roughly 11,740 Angelenos forced out of their rent-controlled apartments to make way for luxury condominiums and boutique hotels.

In addition, that number was only made up of Ellis Act evictions documented by the city of Los Angeles. Tenants rights activists say illegal and unreported evictions happen all too often. In the Pulitzer Prize-winning book *Evicted*, sociologist Matthew Desmond pointed out that for every documented eviction taking place through the court system, there were two unreported evictions.

In 2017, the Los Angeles Tenants Union, one of the preeminent tenant unions in the country, declared: “Los Angeles has proven that it is not yet able to practice development without displacement. Imagined housing construction of the future relies on today’s practices of mass eviction and harassment.”

Unsurprisingly, during the Garcetti era, L.A.’s homelessness crisis turned into a humanitarian catastrophe, even though as a mayoral candidate, in 2013, Garcetti bombastically pledged to “end homelessness.”

Which raises a number of disconcerting questions. Why was Garcetti and the City Council uninterested in preserving affordable, rent-stabilized housing for seniors, teachers, and working-class families? Was that disinterest part of a larger plan to gentrify L.A. as much as possible? Was Garcetti and the City Council more interested in the financial well being of developers, who are key campaign contributors, than middle- and working-class residents, many of whom are people of color? Were L.A. politicians, always looking for ways to beef up the city’s coffers, determined to replace lower-income Angelenos with richer residents in order to boost tax revenues? These questions are not only applicable to L.A. politicians, but elected officials throughout California and across the nation.

Garcetti and the City Council would shrug their shoulders and say their hands were tied when it came to the Ellis Act. It's a state law, they said, therefore we can't do anything. But anyone who's been around politics knows what Garcetti and the City Council were really saying: we don't want to fix it.

Judging by his actions, that especially held true for Garcetti. A well-known jetsetter, the mayor frequently took off on five-hour, cross-country flights to Washington D.C. to lobby Congress, in person, for goodies. He also launched a very public, and time-consuming, crusade to bring the 2028 Summer Olympics to Los Angeles, flying to Switzerland and other destinations. And Garcetti constantly traveled to China, Japan, South Korea, Mexico, and other foreign lands for so-called "trade missions." He was not pouring his time and energy into beefing up tenant protections.

In 2017, the *L.A. Times* raised eyebrows when it uncovered that the "mayor logged 112 days, or nearly one-third of his time, away from California" over the course of a year. At the same time, homelessness in L.A. was intensifying, which prompted activist Annie Orchier to say to *L.A. Weekly*, "A crisis of this level demands 100 percent of [his] attention, not 66 percent." Many activists were thinking and saying the same thing.

Garcetti ignored them. Instead, he took more out-of-state trips to pursue his own agenda: exploring a 2020 run for the White House. (To his credit, Garcetti endorsed Proposition 10, a 2018 ballot measure that sought to repeal another harmful California law, the 1995 Costa-Hawkins Rental Housing Act, which places severe, statewide restrictions on local rent control ordinances. Corporate landlords and developers shelled out \$77.3 million to successfully defeat Prop 10.)

During his mayoralty, Garcetti rarely uttered the word "gentrification" in public. One international trip was especially telling about how Garcetti grappled with gentrification—and how he and other big city politicians in the U.S., especially Democrats, act awkwardly, almost guiltily, when the issue comes up.

In Lausanne, Switzerland, in 2017, Garcetti met, in person, with the International Olympic Committee—the mayor desperately wanted to bring the Summer Games to L.A. But even there, he couldn't escape L.A.'s gentrification crisis. At a press conference, a European reporter asked Garcetti to address Angelenos' concerns that the Olympics would fuel gentrification—that luxury-housing developers and City Hall politicians would use the Summer Games as a lucrative opportunity to build all over L.A., forcing middle- and working-class residents out of their neighborhoods. The mayor stumbled in his answer.

Garcetti first waved off the valid connection between the Olympics and gentrification, saying only a handful of critics were bringing it up. It was a slight to the numerous grassroots organizations—L.A. Tenants Union, Black Lives Matter, Union de Vecinos, the L.A. chapter of the Democratic Socialists of America, and others—that made up the “NOlympics” movement in Los Angeles. Garcetti then rambled through the rest of his remarks, mentioning he was a Rhodes Scholar and refusing to say that he would try to keep gentrification forces in check. By the end of his response, Garcetti uncomfortably spun the notion that the Olympics would help fight gentrification and homelessness.

“If we want to address issues of gentrification,” he said, in a rare instance of publicly using the g-word, “if we want to address issues of social cohesion, if want to address homelessness... whether it's the tax base that comes from the economic jobs that are created by the Olympics, whether it's the spirit of that moment of pulling together, or whether it's the legacy that we want to have of universal access to sports—that's how we combat poverty; that's how we address the gentrification; that's how we address those issues that today all cities face.”

The one-time Rhodes Scholar knew better. L.A. housing activists had been telling Garcetti for years what strategy to take up to stem the tide of gentrification—and it didn't involve the Olympics. In essence, it required a three-pronged approach, known in housing justice circles

as the “3 Ps”: *protect* renters by strengthening tenant protections; *preserve* existing affordable housing such as rent-controlled units; and *produce* truly affordable housing for the poor and middle and working class through more government funding and cost-effective practices such as the adaptive reuse of existing buildings. For example, AIDS Healthcare Foundation, Housing Is A Human Right’s parent organization, purchases old motels and hotels in the L.A. area, quickly renovates them, and turns them into lower-income and homeless housing.

Yet Garcetti, with the full backing of the real estate industry, was much more inclined to pursue a land-use deregulation, trickle-down housing agenda to address L.A.’s housing affordability crisis. It’s popular among city and state politicians in California and throughout the U.S. The mainstream media embraces it, too. Housing activists believe it’s a disaster.

The deregulation, trickle-down housing approach is based on supply-and-demand theory: get rid of land-use protections, swamp the housing market with newly built apartments, and eventually rents will drop. What’s more, politicians and the real estate industry say, as new apartments age, the rents for those units will decrease. A trickle-down housing approach conveniently allows Garcetti and other politicians to give developers free rein to build as much luxury housing as they want, shamelessly using the housing affordability crisis as political cover to build more high-end housing.

In an unnerving 2017 article about L.A.’s upscale high-rise boom, the *New York Times* reported that, as mayor, Garcetti “planned to eliminate regulations that stymie innovation.” He admitted, “We’re writing the rules as we go... that can be very disruptive to people.” Garcetti said some Angelenos may be resistant, but insisted: “We need to get with it.” Uncritical, the *Times* seemed to accept the mayor’s anything-goes philosophy for development.

But Garcetti sounded a note eerily reminiscent of Robert Moses, the arrogant, tyrant-like public official who presided over “urban renewal” in New York City after World War II. He, too, wrote his own land-use rules, flattening city blocks and displacing thousands of people. Talking about his work, Moses once said that one “can’t make an omelet without breaking some eggs.”

The trickle-down housing approach, though, is seriously flawed.

First, it’s common sense that building more luxury housing doesn’t directly, and urgently, address a housing affordability crisis that’s unfolding right now. And it’s not affluent residents who are suffering through that crisis, but the poor and middle and working class, especially those of color.

“Throughout the state,” a 2019 report by the California Budget & Policy Center stated, “many of the individuals affected by unaffordable housing costs are people of color. Among all Californians living in households paying more than 30 percent of income toward housing costs in 2017, more than two-thirds were people of color, and about 45 percent were Latinx.”

Trickle-down housing does nothing to immediately help the people who need it most.

In fact, San Francisco Supervisor Gordon Mar wrote in a newspaper op-ed: “Trickle-down housing contributed to our affordability crisis, and trickle-down housing won’t solve it.”

L.A.’s housing department found something similar.

A 2015 Housing and Community Investment Department briefing, sent to the Mayor’s Office, reported that L.A.’s luxury-housing overkill had created a huge 12 percent vacancy rate (5 percent is considered healthy) in all housing built since 2005. The housing department revealed that

city officials had approved “150 percent of the units needed” by high-earning residents and “only 37 percent of the housing needed for low-income earners.” (Judging by those numbers, one could say Garcetti and the City Council were hell bent on turning L.A. into a gentrified, luxury city.)

Urged to create a “more equitable and sustainable housing market,” Garcetti was further warned by the housing department: “The severe lack of affordable housing is a pervasive problem facing the majority of City residents.”

In 2016, Zillow, the real estate site, backed up the housing department’s assessment, noting that in L.A. and other cities “very high demand at the low end of the market is being met with more supply at the high end, an imbalance that will only contribute to growing affordability concerns for all renters.”

Zillow Chief Economist Dr. Svenja Gudell implored, “Apartment construction at the low end needs to start ramping up, and soon, in order to real improvement.”

Trickle-down housing goes against that call to action.

Second, building more luxury housing in middle- and working-class neighborhoods brings a rush of speculative investment that drives up rental costs in an impacted area.

Third, there’s no guarantee that luxury housing will diminish in price. According to the California Legislative Analyst’s Office, it will take some 25 years for the possibility that luxury housing will become more affordable.

Many activists believe trickle-down housing is a scam, dreamed up by the real estate industry and implemented by politicians to help developers gentrify a city and rake in billions in profits.

Even Richard Florida, an urban planning guru for politicians like Garcetti (and Wiener), wrote that “the markets—and neighborhoods—for luxury and affordable housing are very different, and it is unlikely that any increases in high-end supply would trickle down to less advantaged groups.”

But Garcetti and other like-minded politicians (Scott Wiener) have been unwilling to acknowledge the disturbing impacts of trickle-down housing, which includes gentrification. Many reporters, editorial boards, and academics have the same problem, as if they’re okay with the hefty collateral damage felt by the middle and working class. All in all, they refuse—either purposefully or with little awareness—to consider the ethics of gentrification.

In response to the grassroots uproar, in 2018, over Amazon’s plans to build a headquarters near a low-income housing area in New York City, which activists believed would hyper-gentrify the neighborhood, Penn State University Professor Alexandra Staub wrote in a persuasive essay:

Amazon’s move to Washington and New York along with an influx of well-paid employees brings us back to the question of how we might apply the ethical concept of utilitarianism to understand the greatest balance of happiness over suffering for the greatest number of people.

In my view, this number must include the poor and working class. In an area threatened by gentrification, the economic and social costs for displaced residents is typically high.

To make ethical decisions, we must consider the people who suffer the consequences of rapidly rising costs in the area they call home as part of the ethical question.

Garcetti and many politicians have flatly ignored what Staub suggests. Perhaps because their political patrons—developers, landlords, real estate lobbyists—would vigorously object. Instead, Garcetti, Council President Herb Wesson, L.A. Councilman and Planning and Land Use Management Committee chair Jose Huizar, and the City Council kept delivering spot-zoning favors to luxury-housing developers.

As a result, developer Carmel Partners, armed with its spot-zoning approvals, started building a luxury-housing mega-project known as Cumulus in a working-class neighborhood in South L.A. Merlone Geier Partners and Goldstein Planting Investments can construct a sprawling luxury-housing complex called NoHo West next to a middle-class neighborhood in North Hollywood. Developer Kanon Ventures received spot-zoning favors from Garcetti and the City Council to build The Reef, a \$1-billion luxury-housing mega-project in Historic South-Central.

Longtime, working-class residents—most of whom were Latino—were up in arms about The Reef. They believed it was only a matter of time that gentrification would take over the neighborhood. “This is modern ethnic cleansing,” said a young South L.A. resident at a City Planning Commission hearing for The Reef.

In Koreatown, for developer Colony Holdings, Garcetti and the City Council rammed a 27-story luxury-housing tower, proposed for a working-class neighborhood, through City Hall’s approval system. At a 2016 press conference, community activist and attorney Grace Yoo said: “It will have a domino effect on the rest of the area. All of these mom-and-pop apartment buildings will be swept up by developers. The working families living in them will be evicted, and the developers will put up luxury housing.”

Such precedent-setting, spot-zoning approvals from Garcetti and the City Council opened the door for more luxury-housing projects in other middle- and working-class neighborhoods. That wasn’t lost on Garcetti—

or Council President Herb Wesson. It helped another developer get what he wanted in working-class South L.A.

Capri Capital Partners, a Chicago-based firm led by Quintin Primo III, sought to build a luxury-housing redevelopment—551 condominiums and 410 apartments—at Baldwin Hills Crenshaw Plaza. The shopping center in L.A.’s Crenshaw District had long catered to the African American community. Except for a handful of affordable units, the housing would go for exorbitant prices. But Primo needed spot-zoning favors.

Working-class residents in the area—most of whom are African American and Latino—were deeply concerned that the luxury redevelopment would spark gentrification. At a City Hall hearing, activist Damien Goodmon warned of a “gentrification tsunami.” Unworried, Garcetti and the City Council approved the spot-zoning requests in 2018.

But a gentrification tsunami wasn’t an exaggeration. Baldwin Hills Crenshaw Plaza, The Reef, Cumulus, and USC’s ever-growing campus have become upscale anchors for a massive, rectangular gentrification zone in South L.A. One only needs to look at a map to see it coming—it’s almost perfectly set up.

Just south of the 10 Freeway, real estate speculators have been flipping homes in the West Adams neighborhood. The Reef sits to the east at Broadway and Washington Boulevard. USC is located less than two miles away to the south. Cumulus stands to the west at La Cienega and Jefferson boulevards. Baldwin Hills Crenshaw Mall, at Martin Luther King Jr. and Crenshaw boulevards, acts as a kind of southern border for the gentrification zone. Everything in between will feel the pressure of gentrification courtesy of City Hall’s spot zoning.

In the final analysis, Garcetti never drummed up the political will to help middle- and working-class residents. If anything, during his time as City Council president and then as a new mayor, he built the political will to

rewrite the rules for developers and aggressively induce a luxury-housing boom. Little-known City Hall databases, created by Garcetti's office, would reveal the terrible consequences, which would become even more glaring during the COVID-19 pandemic.

Chapter 8:

Big Tech and California YIMBY (A Brief, But Necessary Detour)



Housing Is A Human Right protests at YIMBY event in Los Angeles

In the Bay Area, over the past several years, things were becoming very uncomfortable for Big Tech: a rock thrown through the window of a Google bus; protesters taking to the streets to blast the tech industry for fueling sky-high rents; the tech industry barely avoiding the proposed “Tech Tax” in San Francisco. A Big Tech backlash was ramping up.

The primary beef leveled at the tech industry was that it wasn’t addressing its impact on middle- and working-class communities. As Big Tech expanded in Silicon Valley and the Bay Area, the growing number of well-paid techies needed somewhere to live. Often, that meant they moved into “up-and-coming” neighborhoods that were affordable, but, with the influx of Big Tech employees, turned into high-rent districts, fueling gentrification and the displacement of longtime residents. The techies could afford the rising rents; the middle and working class could not.

For a report on gentrification in San Francisco, Causa Justa :: Just Cause, a housing justice organization, wrote: “Both the Tech and the Real Estate Industries have to take responsibility for the affordability crisis in San Francisco. Blaming Real Estate is an easy out for Tech companies that claim to be ‘innovating for social good,’ but ignore the impact their boardrooms of innovation have on surrounding communities. Meanwhile, Real Estate

happily lets Tech workers take the blame for their reckless profiteering, hiding behind the myth that the housing market is some kind of force of nature, instead of a real time series of power relationships that human beings have responsibility for. In the background of each wave of gentrification, each massive increase in rents, each conversion of a rent-controlled apartment into a luxury condominium is an incredibly powerful finance industry that shapes not just San Francisco, but California as a whole.”

Indeed. Similar issues were taking place in Los Angeles’ “Silicon Beach” on the Westside, especially in Venice, where the once diverse, working-class beach community turned into one of the most gentrified neighborhoods in L.A.

In an *L.A. Taco* article, resident Mike Bravo described Snapchat’s impact on Venice as “a hyper example of the gluttonous gentrification that’s been going on in the neighborhood.”

Faced with increasing ill will and bad public relations, Big Tech understood it needed to act. In a candid 2017 article by *The Information*, titled “Tech Leaders Seek Bigger Political Role With Housing Push,” Pantheon CEO Zack Rosen explained that a “combination of over-regulation by the state and the tech industry’s success has created the [housing] problem. I feel there’s a real onus on us to lead.” But with millions of middle- and working-class Californians struggling to pay exorbitant rents, Big Tech’s need to lead was hardly altruistic.

What pushed tech executives into action, Rosen told *The Information*, was that the housing affordability crisis had become an “existential threat” to the growth of the tech industry. In other words, Big Tech wanted to protect, and expand, its gigantic profits.

Around the same time, YIMBY groups started popping up in Northern and Southern California. YIMBY stands for “Yes In My Back Yard,” a clever twist on NIMBY or “Not In My Back Yard.” The YIMBYs tended to be well-

educated, young professionals, and many of them worked in tech. They adored new luxury housing, especially if it was built in an “up-and-coming” neighborhood—meaning a middle- or working-class neighborhood. They railed against so-called NIMBYs, and deemed anyone who criticized them a NIMBY. They were solely concerned about *themselves* and *their* need for more new housing, not the plight of lower-income people. In a 2017 article in the *Mercury News*, a quote by YIMBY Action executive director Laura Clark, a young techie, neatly summed up the YIMBY mindset: “Where is my generation going to live?” (Later, out of political necessity, they’d reframe their public messaging to appear more like housing justice activists.)

Like Wiener, Garcetti, and Big Real Estate, YIMBYs pushed land-use deregulation and trickle-down housing policies—and didn’t worry too much about the life-altering impacts on middle- and working-class residents. YIMBYs constantly butted heads with housing justice activists.

“The YIMBY movement has a white privilege problem,” Anya Lawler, a policy advocate with the Western Center on Law & Poverty, told the *Los Angeles Times*. “I don’t think they recognize it. They don’t understand poverty. They don’t understand what that’s like, who our clients really are and what their lived experience is.”

YIMBYs weren’t always organized, and weren’t huge in numbers, but they made headlines—by forcefully advocating for widespread land-use deregulation. Big Tech, which also backed a deregulation, trickle-down housing strategy, took notice.

Unalarmed by YIMBYs’ constant clashes with the housing justice movement, Zack Rosen reached out (through Twitter, appropriately enough) to Bay Area YIMBY ringleader Brian Hanlon. Rosen needed someone to helm California YIMBY, a statewide lobbying organization he wanted to start up.

Rosen, who studied at the University of Illinois and whose interests included bicycling, camping, and dinner parties, and Microsoft executive Nat Friedman, who graduated from the Massachusetts Institute of Technology and whose tech company, Xamarin, was bought by Microsoft for somewhere between \$400 and \$500 million, wanted California YIMBY to lobby state legislators and draft Big Tech-backed housing and land-use bills. The tech industry also needed ground troops to counter the inevitable ire of housing justice and social justice activists.

Hanlon once worked for the U.S. Forest Service and co-founded a YIMBY-type group called California Renters Legal Advocacy and Education Fund, which sued cities that may have violated state housing law. In his mid-thirties, outspoken, tall, and shaggy-haired, Hanlon, who aspired to someday work at a natural wine bar, was a visible YIMBY presence in the Bay Area and hyper-educated, receiving master's degrees from George Mason University and Northwestern University. Hanlon, like Wiener, had the kind of top-drawer background that matched well with his Big Tech suitors. He was inserted as the president and chief executive officer of California YIMBY. Rosen became secretary treasurer. Nat Friedman took the role of chairman.

Immediately, other tech executives sent checks to California YIMBY, including Yelp CEO Jeremy Stoppelman, tech investor Jared Friedman, and Stripe executive Cristina Cordova. But since California YIMBY is a non-profit, it doesn't have to disclose the names of donors, making it difficult to know who else has contributed. And the organization seems intent on staying non-transparent—Hanlon tries to keep mum on exactly who is giving what and never answered a request from Housing Is A Human Right to name California YIMBY's top 50 donors.

But during a 2017 interview with *The Real Deal*, Hanlon let it slip that Big Tech was, indeed, delivering cash to California YIMBY—and that he also welcomed checks from Big Real Estate.

“I am certainly willing to accept money from developers,” he told the real estate news site, “it’s just that I’ve gotten a much better reception from tech leaders than from real estate people.”

Within the first few months of its founding in 2017, California YIMBY had reportedly raised \$500,000.

Quietly, and steadily, Big Tech was building a power base to push through land-use and housing policies that benefited, first and foremost, the tech industry. Big Real Estate undoubtedly welcomed them into the fold.

As California YIMBY emerged as a statewide lobbyist for Big Tech’s push to deregulate land-use protections, housing justice activists were justifiably on guard.

Peter Cohen, co-director of the Council of Community Housing Organizations, told *The Information*: “The losers in this deregulation agenda will be the working-class and lower-income communities of color in these hot markets, which are the major cities in California. The tech industry jumping into the housing situation is a self-interested political calculation.”

Then, in 2018, California YIMBY came into a windfall. Big Tech executives Patrick and John Collison, co-founders of Stripe, went all in, handing over a one-million-dollar check. The eye-popping contribution was a national headline in the *New York Times*.

With tech executives Rosen and Friedman continuing to guide things, California YIMBY put that largesse to good use. The organization employed a registered lobbyist in Sacramento, an organizing director and six regional organizing directors who work throughout California, a digital director, a digital and data associate, a finance and operations director, a chief operating officer, a Southern California policy director, an executive assistant, a director of organizing product management, a director of communications, and a policy assistant.

California YIMBY's official, self-described "tripartite" strategy is Policy Development ("formulate policy & draft legislation"), Inside Game ("Work with elected officials & build an interest group coalition"), and Grassroots Pressure ("Empower existing YIMBY groups & organize a new statewide movement"). To that end, California YIMBY's regional organizing directors work with 10 local YIMBY groups in the Bay Area, three in the Los Angeles area, six in Orange County, and two in San Diego. There are also YIMBY groups in Sacramento, Riverside County, and Central California.

A key part of California YIMBY's inside game is to lobby state legislators. According to state filings, the organization spent \$96,868 on lobbying for numerous state bills during the first quarter of the 2019-2020 legislative session in Sacramento. It spent \$135,936.54 during the second quarter and \$89,517 during the third. That's a substantial sum of more than \$322,000. California YIMBY hired lobbying firms Lighthouse Public Affairs and Dewey Square Group, with in-house lobbyist Louis Mirante also making the rounds in the State Capitol Building.

Another important tool for the organization's inside game is California YIMBY Victory Fund—a political action committee that doles out campaign cash to mostly state politicians. The PAC, according to state filings, has been funded by Nat Friedman and Patrick Collison (\$10,000 contributions each); Jared Friedman (\$20,000); and Stripe (a hefty \$100,000). Along with other tech insiders, Arista Networks co-founder Kenneth Duda threw in two king-sized checks of \$100,000 each.

Since 2018, California YIMBY Victory Fund has delivered campaign checks to California State Treasurer Fiona Ma (\$500), California State Senate President Pro Tempore Toni Atkins (\$2,000), State Assemblymember Tyler Diep (\$2,000), State Assemblymember Buffy Wicks (\$2,000 and \$35,000 for a campaign committee that supported Wicks), State Senator Josh Newman (\$4,400 and \$100,000 for a failed effort to fend off a successful

recall campaign), San Francisco Mayor London Breed (\$500), State Sen. Anna Caballero (\$4,400 and \$40,000 for a campaign committee that supported Caballero), and many others.

With the lobbying and contributions, politicians understand it's not just California YIMBY meeting with them and handing out money. Things go deeper than that. It's Big Tech, who's financing California YIMBY's PAC and lobbying efforts, that the politicians are interacting with—a powerful industry that many elected leaders want to be connected to, if only to tap into Big Tech's campaign cash.

In addition, California YIMBY and other YIMBY groups have increasingly framed their work as a righteous cause that's bringing the fight to NIMBYs to fix a housing crisis. It's spin that conveniently marginalizes, even ignores, the housing justice movement *and* provides excellent political cover to elected officials who want to carry out Big Real Estate's agenda.

Big Tech, through California YIMBY, was covering all its bases, funding the campaigns of state policy makers and a statewide lobbying group—California YIMBY was not born out of grassroots power. Tech executives also didn't forget to keep throwing money at Scott Wiener, the state senator expected to ram through Big Tech's housing agenda in Sacramento.

Since 2016, according to state filings, California YIMBY contributors Patrick and John Collison have personally sent a total of \$26,600 in campaign cash to Wiener. California YIMBY co-founder Nat Friedman has shelled out \$8,800. California YIMBY contributors Jared Friedman delivered \$2,750 and Jeremy Stoppelman handed over \$7,700. Other California YIMBY contributors in Big Tech may have forked over campaign contributions to Wiener, but the public doesn't know because California YIMBY refuses to be transparent about its donors.

California YIMBY and Scott Wiener would be inextricably linked—and Big Tech was the mothership.

Chapter 9:

Wiener's Land Grab for Big Business



Scott Wiener on the campaign trail

In 2016, with grand plans to grab a seat in the California State Senate, Scott Wiener found himself, unexpectedly, in a tight race. With major campaign cash from Big Real Estate, Big Tech, and other power players in San Francisco, Wiener undoubtedly figured he'd blow away his underdog opponent, San Francisco Supervisor Jane Kim. Instead, Kim, a progressive Democrat, won the June primary—by a little less than 700 votes. She also landed a major endorsement from the King of Progressives: U.S. Senator Bernie Sanders. Things were not going well for Wiener—or his corporate contributors.

For months, Wiener had been pulling in substantial contributions from the real estate industry. The California Apartment Association, a fierce opponent of rent control, placed an early \$4,200 bet on Wiener in 2015. Landlord Russell Flynn also delivered a \$4,200 campaign contribution that year. The San Francisco Apartment Association wrote a \$4,200 check.

Wiener also hauled in \$4,200 from the Building Owners and Managers Association of San Francisco; \$4,100 from the development company Build, Inc.; \$4,200 from senior global real estate advisor Gregg Lynn of Sotheby's International Realty; \$4,200 from real estate law firm Duane Morris; and \$8,500 from the California Association of Realtors. The list of real estate contributors goes on and on.

After the June shocker, the real estate industry didn't abandon Wiener,

but instead pumped more cash into his coffers, totaling 693 contributions worth \$574,276, according to state filings.

Big Tech also jumped into the fray. According to state filings, tech companies and hundreds of their employees and executives delivered 412 campaign contributions to Wiener's 2016 run, adding up to \$379,836. Wiener hauled in big checks from Yelp, Technet Political Action Committee, Facebook, Google, Salesforce, and Paypal.

This enormous cash infusion from Big Real Estate and Big Tech helped tremendously. By the end of October 2016, only a week before Election Day, Wiener had a 2-to-1 edge in campaign contributions over Kim. On November 8, he won—by the slim margin of 8,146 votes. When he strode into the Neoclassical chamber of the California State Senate for the first time, Wiener, the Corporate Democrat, had the real estate and tech industries to thank for his sudden rise in power—he could now push far-reaching legislation that would impact the length and breadth of California.

Wiener's win, of course, was also a victory for the tech and real estate industries—they now had a reliable friend, who owed them big favors, in the state senate.

Wiener and Big Real Estate have always shared the same agenda: deregulate the housing market and construct as much luxury housing as possible. It's a surefire way for the real estate industry to generate billions in revenue. Without shame, Wiener and the real estate industry try to camouflage that profit motive by insisting, to whoever will listen, that deregulation and massive construction are the perfect antidotes for California's housing affordability crisis.

Interestingly, Big Tech has the same aversion to regulation—at least the kind that doesn't benefit the industry—and has long shown a reluctance to consider the long-term, street-level impacts of their products. Think of the weaponized use of social media by politicians; the rising rents and loss of

long-term housing stock because of Airbnb; the countless deaths of small businesses, such as bookstores and record stores, because of Amazon; and the invasion of privacy thanks to data mining by Google. Big Tech wants a massive, unregulated flow of profit, no matter the consequences to others.

Undergirding that deregulation agenda is a core, perhaps insincere, belief held by Wiener, Big Real Estate, and Big Tech that a “free market” can work miracles, but only if regulations are slashed and discarded. Yet there’s a reason Big Real Estate and Big Tech hire scores of lobbyists to work their high-priced magic inside the backrooms of the State Capitol Building in Sacramento and city halls throughout California. They’re gaming the so-called “free market” to work for them. California housing justice activists know this hard reality well: Costa-Hawkins and the Ellis Act, two state laws that have been on the books for decades, dramatically rig the “free market” in Big Real Estate’s favor.

So needing to fulfill the wishes of Big Real Estate and Big Tech, Wiener moved quickly, introducing housing bills that advanced their trickle-down, deregulation agenda, which Garcetti and other Democrats also promoted on the behalf of their campaign contributors. In the meantime, the true problem—a distressing lack of affordable housing—was only worsening. That didn’t concern Wiener, who insisted that California needed “an enormous amount of new housing at all income levels.” Wiener’s trickle-down argument, of course, went directly against Zillow’s findings.

No matter.

On Wednesday, January 3, 2018, only days after a British newspaper reported to the world about California’s shocking housing affordability crisis, Wiener did not introduce a bill to crank out more affordable housing, but instead to deregulate land-use protections. Known as SB 827, the legislation was pushing a trickle-down, luxury-housing agenda for the

entire state. Housing justice activists instantly smelled a rat, the national media fawned over it, and Big Tech's fingerprints were all over the bill: California YIMBY helped draft SB 827.

Only weeks later, on California YIMBY letterhead, Nat Friedman, Zack Rosen, Jeremy Stoppelman, Patrick Collison, Jared Friedman, and more than 120 other Big Tech executives sent a letter to Wiener, pledging their support for SB 827. The leaders, many of them millionaires and a few billionaires, mentioned nothing about gentrification and homelessness, made a quick reference to displacement and high rents, and mostly focused on themselves.

"We hope to grow our businesses in California," wrote the Big Tech executives, which included Twitter CEO Jack Dorsey, Lyft CEO Logan Green, and tech investor Ron Conway, "but it's difficult to recruit and retain employees when they could accept jobs in other states and pay a fraction of California's housing costs. Already, many California-based technology firms have accelerated hiring in other states because housing costs are too high. SB 827 will provide housing opportunities for many Californians while permitting our firms to increase good jobs and improving the fiscal position of the state budget."

And while housing justice activists and working-class residents were fighting evictions, predatory landlords, and the prospect of homelessness, the Big Tech executives complained of "punishingly long commutes."

Big Real Estate, of course, also threw its mighty weight behind SB 827.

The housing justice movement was suddenly in a pitched battle against two mammoth industries. But activists rallied—and didn't back down.

In a March 2018 article, housing advocate Jacob Woocher, sounding a belief held by many activists, wrote that SB 827 is "a lubricant for gentrification that places the burden of luxury development and its accompanying displacement squarely on communities of color filled with renters."

That same month, Larry Gross, executive director of the Los Angeles-based Coalition for Economic Survival, wrote: “SB 827 would handcuff local government from addressing its particular affordable housing needs and result in imposing regulations that will increase displacement and gentrification.”

The Democratic Socialists of America - L.A. chapter, which also opposed the legislation, stated: “SB 827 will result in luxury housing exclusively for the wealthy while displacing and dispossessing the poor and working class.”

The Los Angeles-based Black Community, Clergy and Labor Alliance sent a letter to Wiener.

“Private interests and practices intended to reclaim urban space to profit a global investor class and real estate speculators are direct threats to our right to the homes and communities that we built in the face of their oppression,” the group wrote.

“Unfortunately, public policies like SB 827 are not a defense, but rather an aid for these oppressive and discriminatory policies and interests. And there is nothing courageous, new, or innovative about advancing land grabs and economic exploitation.”

With Wiener leading the charge, an intense clash broke out between the so-called YIMBY “movement” and housing justice activists. YIMBYs were feeling empowered by the growing influence of Big Tech’s California YIMBY, and, as usual, showed a visceral dislike for anyone who challenged their hard-core belief system—whether it was using Twitter to pile on critics or shouting them down in public. That hostility was on frightful display on a blue-sky day in April 2018.

On the steps outside of San Francisco City Hall, a worried group of residents and grassroots activists—many of whom were people of color—

held a press conference to denounce SB 827. They believed the legislation, if passed, would be catastrophic, adding jet fuel to a gentrification crisis that was already ravaging San Francisco's working-class communities, especially those of color.

"We'll keep fighting," Charles Dupigny, the African American co-director of Affordable Divis, told the crowd. "We'll keep moving forward. We plan to keep fighting this bill, like many times in the past in San Francisco."

But as Dupigny talked, a young, mostly white group of self-identified YIMBYs brashly inserted themselves into the press conference, refusing to listen. In fact, they were trying to silence Dupigny, yelling at him, "Read the bill! Read the bill! Read the bill!"

After Dupigny spoke, the YIMBYs continued their heavy-handedness, carrying out a menacing counter-protest. Things got so out of hand that one resident, a 77-year-old Asian woman, fainted—and was shuttled to a hospital. Sonja Trauss, a contentious, outspoken leader among the YIMBYs, was so fierce that sheriff's deputies moved her away from the crowd.

"Our members were intimidated by YIMBY," Wing Hoo Leung, president of the Chinatown-based Community Tenants Association, told the *San Francisco Examiner*. "They felt threatened."

Lueng added, "I think the YIMBY have no heart."

The YIMBY showdown at San Francisco City Hall was not an aberration.

"It's been absolutely ugly," Bay Area activist Shanti Singh told *Shelterforce* in 2019, describing her interactions with YIMBYs. "A really nasty three years."

Maria Zamudio, another Bay Area activist, told *In These Times*, “They’re like, ‘Just build housing, you stupid brown people! I moved here last week, and I need a place to live!’”

Fernando Marti, co-director of the San Francisco-based Council of Community Housing Organizations, wrote in a *Shelterforce* column: “But according to the YIMBY leaders, now we equity advocates are the problem, too, little different from the NIMBYs, rabid progressives who are too naïve or ideological to understand how the market really works. In this story line, in the name of fighting evictions and displacement, we progressives, we communities of color, we poor people and immigrants, we working-class queers stupidly don’t realize that luxury development now will eventually become the affordable housing of the future!”

But, in the end, the housing justice movement won out—and YIMBYs’ disturbing counter-protest didn’t help. On April 17, 2018, a California State Senate committee killed the bill.

“Right now, the statistics show that predominantly the demand is for affordable housing and for the homeless and [Wiener’s] proposal didn’t provide for that,” State Senator Jim Beall said matter-of-factly.

A few months later, the defeated Wiener found himself in an awkward position—whether or not to endorse Proposition 10, the ballot measure that aimed to repeal statewide rent control restrictions. Big Real Estate was vehemently opposed to Prop 10, and, by that time, the real estate industry had shelled out more than \$725,000 to Wiener’s 2016 and 2020 state senate campaigns, according to state filings.

But a massive coalition of more than 525 social justice groups, housing justice and tenants rights organizations, labor unions, and civic leaders endorsed Prop 10, including the California Labor Federation, the California Teachers Association, the ACLU, and U.S. Senator Bernie Sanders. Prop 10, spearheaded by AIDS Healthcare Foundation and its housing

advocacy division Housing Is A Human Right, fulfilled one of the “3 Ps”: *protect* tenants. *The Nation* magazine deemed it one of the 10 “more vital” progressive battles in the country.

Still, Wiener, a San Francisco Democrat, never endorsed. Neither did California YIMBY nor Big Tech—unlike for SB 827, tech executives never wrote a letter supporting Prop 10. They all sat on the sidelines while excessive rents devastated middle- and working-class Californians, too many of whom faced the prospect of homelessness. California YIMBY and Wiener’s refusal to endorse, and Big Tech’s indifference, was one more reason the housing justice movement couldn’t trust them.

(For the most part, Wiener, YIMBYs, and Big Tech have little affinity for the 3 Ps agenda pushed by the housing justice movement. It clashes in numerous ways with their deregulation, trickle-down housing agenda. The mainstream media also isn’t either too thrilled or knowledgeable about the 3 Ps. Big Real Estate, of course, has no interest in protecting tenants, preserving existing affordable housing, and producing new, truly affordable housing.)

On top of that, Big Tech and Wiener vigorously opposed Proposition C, a 2018 San Francisco ballot measure that sought to tax the city’s largest businesses to generate more money for homeless services. In fact, instead of contributing big bucks to the Yes on Prop 10 campaign, Big Tech was busy financing a No on Prop C committee: Twitter CEO Jack Dorsey shelled out \$75,000; Stripe (a major contributor to California YIMBY and Wiener) gave \$419,999; and Lyft (whose employees, including CEO Logan Green, also shelled out campaign cash to Wiener) spent \$100,000. San Francisco voters, though, overwhelmingly approved the initiative.

Wiener’s real estate contributors, in the meantime, shelled out at least \$9.9 million to stop Prop 10. As a whole, Big Real Estate raised a whopping \$77.3 million, much of which financed an endless barrage of deceptive TV ads. Sufficiently confused, the voters shot down Prop 10 in November 2018.

Only a month after the death of Prop 10, Wiener went back to work. Adding salt to the still-fresh wounds of the housing justice movement, he introduced a reboot of SB 827, known as SB 50.

Wiener conceded it was essentially the same deregulation bill that gave developers free rein to build luxury housing near transit stops, but he also added “jobs-rich” areas into the mix, a concept no one completely understood—an immediate red flag for any thinking person. In effect, he had expanded the scope of SB 827. Wiener threw in temporary protections for “sensitive communities” under threat of gentrification and displacement, but, for many activists, that was a tacit acknowledgment that SB 50, at some point, would fuel gentrification. Big Tech’s California YIMBY co-sponsored SB 50, and Big Real Estate and the mainstream media strongly backed the reboot.

Activists were wary, pointing out that once the temporary protections were gone, developers would quickly swoop in and gentrify. To make matters worse, according to activists, the so-called protections were weak and SB 50 was still, at its core, a trickle-down, luxury-housing bill that didn’t directly address the housing affordability crisis. The requirements in SB 50 for developers to build affordable housing were miniscule in number and flawed.

As 2019 rolled on, local governments, homeowner associations, and housing and social justice organizations spiritedly opposed SB 50. Housing Is A Human Right was one of the leaders in this endless battle to stop Wiener, Big Real Estate, and Big Tech.

Despite all the establishment power, including the mainstream media, that lined up behind Wiener and SB 50, opponents managed, somewhat miraculously, to stall the bill in May 2019. But the battle, which was diverting time, resources, and energy away from substantively addressing the housing affordability crisis, wasn’t over. Another no-holds fight would break out in early 2020.

Chapter 10:

A Gentrified L.A.



Garcetti with the L.A. City Council

Perhaps the most damning evidence of a full-scale gentrification crisis in Los Angeles comes from an unlikely source: Eric Garcetti. In 2016, with financial support from Bloomberg Philanthropies, the mayor's Los Angeles Innovation Team, or "i-team," created two databases: The Los Angeles Index of Displacement Pressure and the Los Angeles Index of Neighborhood Change. They show where gentrification is overwhelming neighborhoods (Downtown, Hollywood, and Venice, for example) or where displacement and gentrification are taking root (South L.A., the San Fernando Valley). The databases also show something else: Garcetti's pledge, as a 2013 mayoral candidate, to turn L.A. into a gentrified Hollywood was coming true.

The displacement pressure and neighborhood change databases have not been highly publicized by the Mayor's Office, although Garcetti routinely promotes the city's newest tech gadgets, such as the "Shake Alert L.A." app, which supposedly warns residents of an impending earthquake. If carried out properly, the displacement pressure and neighborhood change databases, which the Mayor's Office should update annually, could be used the same way: to warn the public and city leaders about troubling gentrification and displacement trends.

The i-team's databases show not only neighborhoods that have been gentrified or are going through gentrification, but also what neighborhoods are under a looming threat of gentrification and displacement. Chris Bousquet of Data-Smart City Solutions, a governance and innovation site sponsored by Harvard University, wrote that the i-team's data can

“inform interventions” by both residents and elected officials. L.A. could be a forerunner in the use of technology to slow down, and possibly stop, gentrification—and slow down, or stop, a dramatic spike in sky-high rents, sudden evictions, and life-altering homelessness. The databases, in other words, give invaluable, street-level insights into the root causes of L.A.’s housing affordability and homelessness crises. Other cities and states should also compile such data for the public—and routinely update it.

Each database presents an interactive map with a color key that shows low to very high displacement pressure and “neighborhood change”—another sneaky phrase used as a substitute for gentrification. The i-team, however, doesn’t provide analysis of the data—that’s left to the public. The neighborhood change index measures gentrification while the displacement pressure index predicts displacement.

The displacement pressure index is a neighborhood-by-neighborhood snapshot of L.A. consisting of essentially current information and future projections. Garcetti’s i-team looked at U.S. Census tracts and considered “change measures” such as change in housing price projections; percent of households that rent; and percent of households that are extremely rent burdened. The i-team notes that “displacement pressure factors capture areas with a high concentration of existing residents who may have difficulty absorbing massive rent increases that often accompany revitalization.” Again, “revitalization” is a substitute for gentrification.

The displacement pressure index shows that every section of L.A.—Eastside, Westside, South L.A., the Harbor area, the Valley, the L.A. Basin—will experience low to very high displacement pressure. In other words, tens of thousands Angelenos, if not more, may be forced out of their longtime neighborhoods (or displaced) because of rising rents.

Predictably, the database closely reflects the findings in the neighborhood change index. “Very high” displacement pressure shows up in the

gentrified neighborhoods of Silver Lake, North Hollywood, Downtown, and the Eastside, for example. “High” displacement pressure also appears in South L.A.—smack in the middle of its gentrification zone with the luxury development anchors of Cumulus, The Reef, USC, and Baldwin Hills Crenshaw Plaza. It’s all unfolding after years of an unrelenting, “build, build, build,” luxury-housing push by Garcetti.

The neighborhood change index shows the degree to which L.A. neighborhoods experienced gentrification between 2000 and 2014—almost the entire time Garcetti has served in public office. Using ZIP codes, it provides gentrification rankings for 111 neighborhoods/areas across the city—number one is the neighborhood with the most change/gentrification (described by the i-team as “very high change”) and number 111 is the neighborhood with the least amount of change/gentrification (“no change”). Since sections of neighborhoods such as Hollywood and Downtown L.A. have numerous ZIP codes, those communities appear more than once in the rankings.

L.A. politicians may say the neighborhood change index isn’t, in fact, a gentrification database. That would be wrong. The i-team clearly states that the rankings are based on “six demographic measures indicative of gentrification.” Those measurements include percentage change in low/high IRS filer ratio; percentage change in median household income; percentage change in median gross rent; percentage change of white residents; percentage change of residents 25 years or older with a college degree or higher; and percentage change in average household size. From here on out, the neighborhood change index will be given its proper name: the gentrification index or gentrification database.

For anyone following L.A.’s gentrification crisis in the news, the rankings are not a shock. The data not only confirms what I found in 2013, but also what L.A. City Hall has been ignoring: lower- and middle-income people of color and immigrants are suffering the worst in L.A.’s most extremely gentrified areas. Lower- and middle-income white residents are also taking a hit.

The following list shows L.A.'s most gentrified neighborhoods. The demographics below come from the *L.A. Times*' "Mapping L.A." database, which used data from the 2000 U.S. Census:

1. Downtown (ZIP code 90014): in 2000, lower-income Asians, Latinos and African Americans made up the majority of the population;
2. Downtown/Arts District (90013): in 2000, lower-income Asians, Latinos and African Americans made up the majority of the population;
3. Westlake and part of Downtown (90017): in 2000, lower-income Latinos and Latino immigrants overwhelming made up the majority of the population;
4. Pico Union and part of Downtown (90015): in 2000, lower-income Latinos and Latino immigrants overwhelming made up the majority of the population;
5. Silver Lake/Echo Park and part of Westlake (90026): in 2000, lower- and middle-income Latinos, Asians, and whites made up the population; where Eric Garcetti served as councilman for District 13;
6. Hollywood (90028): in 2000, lower-income Latinos and whites largely made up the population; another area that Garcetti served;
7. Chinatown and part of the Arts District (90012): in 2000, lower-income Asians and Asian immigrants overwhelming made up the population;
8. Another section of Hollywood (90038): where Garcetti once served;
9. Venice (90291): in 2000, middle-income whites, African Americans, and Latinos made up the population;

10. East Hollywood and another section of Silver Lake (90029): in 2000, lower-income Latinos overwhelmingly made up the population, along with lower-income Asians and whites; another area once represented by Garcetti.
11. Silver Lake/Atwater Village/Elysian Valley/Echo Park (90039): in 2000, middle-income Latinos, whites, and Asians made up the population; where Garcetti once served.

Other neighborhoods at the top of L.A.'s gentrification rankings include:

12. North Hollywood/Valley Village/Toluca Lake (ZIP code 91601)
13. Los Feliz (90027)
14. Highland Park/Montecito Heights (90042)
15. East Hollywood/Larchmont Square (90004)
16. Koreatown/Windsor Square/Hancock Park (90020)
17. Elysian Valley/Lincoln Heights/Montecito Heights (90031)
18. Pico Union/Harvard Heights (90006)
19. Glassell Park/Cypress Park/Mt. Washington (90065)
20. Koreatown/Mid-Wilshire (90005)

The gentrification index shows that L.A.'s gentrification crisis is citywide, not something that's happening in a few areas. Also, as councilman, Garcetti represented five out of the top 11 most gentrified neighborhoods in L.A. On top of that, in 2018, RENTCafe ranked the Downtown L.A. ZIP codes of 90014 and 90013 as the first and twelfth most gentrified neighborhoods, respectively, in the nation. L.A., in other words, is facing one of the worst gentrification crises in the U.S.

The gentrification index reveals something else. The first, second, and fourth most gentrified neighborhoods (areas in Downtown and Pico Union) are located in City Council District 14, represented by Jose Huizar, the former

Planning and Land Use Management Committee chairman who faces federal bribery, fraud, and money-laundering charges.

Huizar is—or was—very powerful. *The Real Deal*, a real estate news site, described him as the “ultimate arbiter of what was and wasn’t built in Downtown. And for the most part, he operated by the ‘Build, baby, build’ ethos.” But in November 2018, FBI agents raided Huizar’s home and council office, looking for evidence, according to the *L.A. Times*, “of possible bribery, extortion, money laundering, and other crimes” related to Downtown real estate development projects. The feds were looking at political monies from developers to Huizar. Raymond Chan, one of Garcetti’s deputy mayors, was another focus in the probe, among others. City Hall’s pay-to-play, spot-zoning scheme—a key tool for government-sanctioned gentrification in L.A.—was under federal investigation. Huizar quickly lost his PLUM chairmanship. Then, in March 2020, Mitch Englander, a former L.A. councilman who was a PLUM member with Huizar, was actually indicted by the feds and later pleaded guilty.

“Englander was charged Monday with obstructing a federal investigation into cash, lavish meals, escort services and other gifts that officials say he accepted from a businessman during trips,” the *L.A. Times* reported. “The former councilman is the only person so far to be publicly charged in connection with a wide-reaching investigation into corruption and pay-to-play schemes at Los Angeles City Hall.”

In 2019, after flying around the country to explore a presidential bid, Garcetti announced that he would not run for the White House. At a press conference, he said, “My work is right before me. Who knows what the future is?” When the announcement came, housing justice and tenants rights groups instantly jumped on social media, urging him to stop traveling and fix L.A.’s housing affordability and homelessness crises—but with solutions that will help working people, not just luxury-housing developers.

So far, Garcetti hasn’t listened: no major anti-gentrification or anti-displacement initiatives have come out of his office. Failing, once again, to

drum up the political will to help middle- and working-class Angelenos, L.A.'s homelessness crisis continues to worsen—in Los Angeles County, 2,381 unhoused people had died on the streets between 2018 and 2019, according to the L.A. County Department of Public Health.

During the COVID-19 pandemic, Garcetti's inaction, and pro-gentrification push, further hurt middle- and working-class residents. Since many people lost their jobs, they could no longer pay L.A.'s sky-high rents, falling into back-rent debt and facing the prospect of eviction and homelessness. And the mayor and City Council scrambled to find ways to shelter people who were already unhoused. L.A. was a mess. But by 2021, Garcetti found a way to escape the growing disaster he helped trigger years ago: President Joe Biden appointed him to be the next ambassador to India.

Chapter 11:

The Company Wiener Keeps



Housing Is A Human Right protests SB 50

At the start of 2020, Scott Wiener had only until the end of January to move SB 50 out of the California State Senate. I wasn't sure what Wiener was thinking—politicians of any stripe tend to live in an alternative reality—but he decided to hold a Tuesday morning press conference, on January 7, on the steps of Oakland City Hall. He was begging for trouble, and got it.

Like many cities in the Bay Area, Oakland, a longtime middle- and working-class city with a vibrant African American community, was going through gentrification and housing affordability crises that were fueled by Big Tech's success and expansion. Middle- and working-class residents who couldn't pay sky-rocketing rents in San Francisco would move to another city and then another and then another, and Oakland had turned into a prime destination along that troubling route—people were desperate to find affordable housing. I met an activist in Concord—22 miles northeast from Oakland—who said her community was facing higher rents and gentrification because of the housing affordability crisis that started in San Francisco. Like many people in the Bay Area, she pointed at Big Tech's rise as a catalyst, and she had firsthand knowledge: she and her parents had lived in San Francisco for decades—and were forced out.

Yet for some ill-conceived reason, Wiener, who had a terrible reputation among working-class communities and Bay Area housing justice activists because of his pro-Big Real Estate track record as a San Francisco supervisor and state senator, decided to go into Oakland to kick off the restart of SB 50. Dressed in a dark suit and gray tie, Wiener stood on the steps of Oakland City Hall with YIMBYs and Mayor Libby Schaaf and other politicians who pushed

deregulation and trickle-down housing. Unlike the YIMBY counter-protest on the steps of San Francisco City Hall in 2018, Wiener and the YIMBYs would be put on their heels by housing justice activists.

Leading the pushback was Moms 4 Housing, a group of homeless African American mothers who had taken over a house in Oakland that had been sitting empty for two years. Like so many working-class residents in the Bay Area, they were not only desperate to find shelter, but were also making a political statement against gentrification.

“This is my home,” Sameerah Karim, a second-generation Oakland resident, said of her city in an interview with *The Mercury News*. “I was born and raised here. I deserve to be here.”

Moms 4 Housing quickly turned into a national story—and gained wide, rock-solid support from housing and social justice groups, and even politicians. Now, on the steps of Oakland City Hall, the mothers were staring straight at Wiener and chanting, along with other activists, “Hey! Hey! Ho! Ho! Luxury housing has got to go!” They also loudly asked Wiener, “Where’s the affordable housing?!”

If what was at stake wasn’t so serious, Wiener’s response would have been comical, like an all-too-true skit on *Saturday Night Live*. He was determined to speak no matter what, even though the chanting was easily drowning him out. Gripping a microphone close to his mouth, with the PA system’s volume seemingly turned up to 10, Wiener tried to shout over Moms 4 Housing and the activists (a fitting metaphor for how he routinely handles activists), saying something about “flexibility” and “change.” His supporters, standing on either side of him, gave tight, plastic smiles for the TV cameras and news photographers. The optics were horrible—and, in the eyes of the media savvy, the news coverage was worse.

Possibly for the first time during the entire SB 827/SB 50 fight, the mainstream media didn’t center its coverage on how terrific SB 50 was, only

giving opposing activists a quote or two, if any. Instead, reporters focused on the activists' chants at Wiener.

The Mercury News, which published an article that was carried by other newspapers around the state, reported:

But protesters with Moms 4 Housing—a group started by homeless women who took over an empty, investor-owned West Oakland house in November—worry the bill will allow too many luxury homes to be built, and not enough affordable housing. For Moms 4 Housing member Misty Cross, SB 50 seems to be another example of a solution that doesn't work.

"I don't know how that's going to help me," said Cross, who is living in the West Oakland house with her three children and other Moms 4 Housing members.

KTVU, a TV station based in Oakland, reported:

Oakland Mayor Libby Schaaf, state Sen. Nancy Skinner, D-Berkeley, and other elected officials joined Wiener at the news conference to speak in support of his bill.

But their remarks were mostly drowned out by a large group of housing activists who loudly shouted slogans such as, "Affordability—the rent's too high!" and "Housing for people, not for profit!"

Other slogans that the protesters chanted were, "Give the moms a home today!" and, "Where's the Affordable Housing?"

When a representative from the California Association of Realtors tried to speak, the protesters booed her and shouted, "No more speculators!"

This was not good press, and many people, including myself, thought SB

50 was now, suddenly, doomed—with all credit to the activists and Moms 4 Housing.

Big Tech executives kept a lower profile for the SB 50 fight, but their lobbying organization, California YIMBY, was still leading the charge, utilizing its “inside game” to win support from elected officials. That included several politicians who hauled in campaign cash from the California YIMBY Victory Fund, such as State Senate President Pro Tem Toni Atkins, Assemblymember Tyler Diep, Assemblymember Buffy Wicks, State Sen. Anna Caballero, and San Francisco Mayor London Breed. Big Tech, through the California YIMBY Victory Fund, also delivered two whopping checks of \$4,700 each to Wiener.

Learning a lesson from previous political battles, California YIMBY co-opted messaging from the housing justice movement, dubiously claiming that SB 50 “includes strong protections for renters.” Housing activists weren’t buying it.

“SB 50 proclaims to protect rent-controlled units,” Jackie Fielder, a San Francisco community organizer, and Deepa Varma, executive director of the San Francisco Tenants Union, explained in a *San Francisco Examiner* op-ed, “yet barely over a dozen California cities have any rent control, and what they do have is severely limited by the Costa-Hawkins Rental Housing Act. Furthermore, the ‘anti-demolition’ clause, which is supposed to protect tenant housing, is actually an invitation for real estate speculators to vacate currently rented housing and hold it off the market for some years in anticipation of windfall profits later. As we are seeing with the Black-women-led Moms 4 Housing collective in Oakland, speculators will sit on vacancies while thousands go unhoused. SB 50’s vacancy protection is limited and also nearly impossible to effectively enforce in the majority of California cities that lack demolition protections and rental registries.”

Then it was game time: the California State Senate took up SB 50 for a vote in the last week of January. Wiener needed 21 votes to move the

bill to the State Assembly. My colleagues at Housing Is A Human Right traveled to Sacramento to do last-minute advocacy to stop it, but no one was sure how things would shake out.

As the state senators called out their votes, one by one, the nays were mounting up. My colleagues and I kept tallying the votes, but all kinds of thoughts were popping up in our heads: Could we win? Could we actually beat Big Real Estate and Big Tech? Will we somehow overcome the campaign cash?

By the end of the voting, Wiener, Big Real Estate, and Big Tech ended up three votes short. Wiener asked for reconsideration, which State Senate President Pro Tem Toni Atkins instantly granted. We were excited, but hesitant. The next day, even after Wiener lobbied his colleagues long and hard on the state senate floor, SB 50 still only got 18 votes. We, activists up and down California, had won. Atkins was furious, Wiener tried to put a good face on things, and the mainstream media was largely aghast.

In a pro-SB 50 op-ed by *L.A. Times* editorial writer Kerry Cavanaugh, the headline read: “L.A. Politicians Killed SB 50. So What’s Their Plan to Fix the Housing Crisis? They Don’t Have One.”

In a pro-SB 50 piece by the *L.A. Times* editorial board, which read suspiciously similar to Cavanaugh’s column, the headline boomed: “SB 50 is Dead. L.A. Lawmakers Need to Stop Stonewalling and Come Up With a Housing Solution.”

In a pro-SB 50 column by the *Sacramento Bee* editorial board, the headline screeched: “SB 50’s Failure Exposes California Democrats’ Ineptitude on Affordable Housing Crisis.”

All the editorials pushed for trickle-down, luxury housing solutions for the housing affordability crisis. None of them considered the 3 Ps—protect renters, preserve existing affordable housing stock, and produce truly

affordable housing—championed by activists. Which wasn't shocking—the mainstream media, like Wiener, essentially ignored the housing justice movement during much of the SB 827/SB 50 fight.

We didn't care. We won. And we were ready to go again for the next, inevitable tango with Wiener and any other Big Real Estate legislator like him.

During the SB 827 and SB 50 battles, Wiener, with help from reporters, painted himself as a courageous legislator taking on a righteous battle who was trying to save California. It was ridiculous.

For ten years, Scott Wiener, as San Francisco supervisor and then state senator, relied on vast amounts of campaign cash from Big Tech and Big Real Estate to win elected office and keep a white-knuckled grip on power. He owed them, and he aggressively pushed legislation that would make them billions. There was nothing courageous or righteous about his work.

The proof is there, and it's worth going over again. From Big Tech, between 2010 and 2014, when Wiener first ran for the San Francisco Board of Supervisors and then campaigned for re-election, he raked in small contributions, worth a few hundred dollars each, from employees of Google, Cisco Systems, Facebook, Yahoo, and Salesforce, among others. Big Tech then delivered hundreds of thousands to his 2016 and 2020 state senate campaigns.

According to state filings, Yelp, Google, Facebook, Amazon, Tesla, the Technet Political Action Committee, Lyft, Paypal, Oracle, Yelp, Hewlett Packard, Uber, Intuit, Salesforce, and hundreds of tech executives, employees, and tech investors, including prominent tech investor Ron Conway, shelled out more than 560 contributions to Wiener, totaling more than \$550,000.

Wiener banked \$4,200 campaign checks from Conway, Facebook, Salesforce, tech investor Laura Lauder, Dropbox vice president Aditya Agarwal, Facebook vice president Sean Ryan, and Salesforce CEO Marc

Benioff. He also received \$4,200 checks from Airbnb chief executive officer Brian Chesky and tech investor Stewart Alsop and a \$4,400 check from the Technet Political Action Committee, a national lobbying group for the tech industry. Dozens of employees at Facebook, Google, Airbnb, and Salesforce sent campaign cash to Wiener.

From Big Real Estate, for his 2014 re-election campaign for supervisor, Wiener raked in, to name a few, \$500 from David Gruber, owner of Gruber & Gruber Properties; \$500 from landlord Russell Flynn; \$500 from Louis Vasquez, founding partner of Build, Inc.; \$500 from Greg Vilkin, president of MacFarlane Partners; \$500 from architect Charles Bloszies; \$500 from real estate broker Al Clifford; and \$500 from attorney James Reuben of the land-use law firm Reuben, Junius & Rose.

For his 2016 and 2020 state senate campaigns, Big Real Estate shelled out even more cash. Wiener hauled in \$4,200 from Veritas Investments; \$1,000 from public affairs consultant Sam Lauter, whose firm represents developers; another \$4,200 from land-use law firm Reuben, Junius & Rose; \$1,000 from Ground Floor Public Affairs, which also represents developers; \$4,200 from real estate investor and rent control opponent Thomas Coates; \$4,200 from real estate broker Jesse Fowler of Paragon Real Estate Group; and, among hundreds of others, another \$4,400 from landlord Russell Flynn.

Flynn is an exceptionally notorious contributor of Wiener's. Widely considered a predatory landlord, Flynn, a multi-millionaire who passed away in 2020, built his real estate empire in the Bay Area by purchasing rent-controlled apartment buildings and then forcing out longtime tenants through harassment and other shady methods. When those tenants left, he could legally raise the rent to market-rate, charging new residents top dollar. Flynn had consistently delivered campaign cash to Wiener going back to his 2010 run for San Francisco supervisor.

It brings to mind a saying credited to the ancient Greek fabulist Aesop. He wrote: "A man is known by the company he keeps."

Chapter 12:

The Activists



Fresno activist Grecia Elenes

Every now and then, in 2019 and early 2020, I'd fly out of Los Angeles for a quick trip to meet with housing justice activists in other California cities. I wanted to talk with them, face to face, for a number of reasons.

First, the mainstream media doesn't regularly talk with activists battling on the frontlines. Many reporters primarily interview academics, industry insiders, and politicians, all of whom, more times than not, see the world through the narrow lens of the establishment. So when reporters write stories about housing issues, they're often not covering things with a street-level reality. They're writing mostly, if not completely, from the point of view of the establishment, which wants to keep the rabble-rousers (i.e. activists) in check, hold a tight grip on power, and make obscene amounts of money at the expense of the middle and working class.

And when reporters spend nearly all their time with people in the establishment, the reporters end up seeing the world through an establishment lens. If they spent more time with activists, they'd hear, and see, an entirely different world—a world of what's actually happening on the street. Through my work as an advocacy journalist, I wanted to give activists and that world a voice by writing articles about them for the Housing Is A Human Right website.

Second, you learn about the complexities and subtleties of issues by going into communities, meeting activists in person, asking questions, and listening. Not arguing with them or telling them what they should do. But actually listening, asking what *they* see and what *they* think are

the solutions. From years of experience, I've noticed it's a skill, or a way of engagement, that many politicians, certain reporters, and certain academics are terrible at. So I wanted to learn what activists were dealing with in communities that have been rocked by California's housing affordability crisis.

Lastly, I wanted to show that the real estate industry's agenda, which is implemented by the legislative work of YIMBYs and politicians like Garcetti and Wiener, has real, life-altering consequences for the poor and middle and working class. While politicians and YIMBYs help Big Real Estate generate billions in revenue, trickle-down housing and deregulation and gentrification are decimating neighborhoods and shattering millions of lives. Many of them are people of color. Working-class whites aren't faring well either. I found this out by talking with activists, and their stories were shockingly similar. Here are the articles I wrote.

San Diego Tenants Are Just Numbers on a Spreadsheet

In San Diego, Rafael Bautista is fighting a seemingly impossible fight. Landlords do whatever they want. Developers build whatever they want. And city politicians do next to nothing about the troubling practices of landlords and developers. In fact, the politicians enable them.

"They're very developer friendly," Bautista tells me, "but they're not doing anything for tenants."

Bautista, a soft-spoken 35-year-old with an easy smile, is co-director of the San Diego Tenants Union and a leader of San Diego Tenants United. I met him at his office on Fairmount Avenue in City Heights, a working-class, largely immigrant neighborhood in San Diego where Bautista grew up. He went to high school with kids from Latin America, Thailand, and Sudan, and he graduated from San Diego State University with a degree in philosophy.

“It’s helped,” Bautista says with a chuckle. “Thinking two steps ahead of the landlords.”

San Diego Tenants Union organizes renters and helps them deal with predatory landlords while San Diego Tenants United pushes for policy changes, such as a possible city ballot measure to establish rent control. Bautista and his fellow activists have been working on the frontlines of San Diego’s housing affordability and gentrification crises since 2015.

“We’ve seen an escalation of mass displacement,” he says. “We’ve been getting daily calls, multiple calls, of people getting evicted for no reason. We’ve seen rents raised at very high levels.”

City Heights is one example. For years, Bautista says, City Hall ignored the neighborhood. People lived in dilapidated buildings and couldn’t count on the politicians to protect them from slumlords. But rents were inexpensive, and people made do. Then as gentrification continued to spread throughout San Diego, real estate insiders trained their sights on City Heights.

“It’s creating a crisis,” says Bautista, “because this was the last affordable place in San Diego.”

Along with real estate insiders trying to give City Heights a name change (a sure sign of gentrification), developers are building luxury-housing complexes and landlords are raising rents by 40 to 50 percent, sometimes more.

“We have a case right up the street where we have 70 percent rent increases,” says Bautista. “It’s just awful.”

Seniors on fixed incomes and lower-income residents—people who don’t hold the same kind of sway over City Hall as developers and landlords—are especially feeling the squeeze in City Heights and all over San Diego.

“The people who were living here are leaving,” says Bautista. “It’s sad. We have people telling us they’ll go back to Mexico. We have other people who say they’ll go back to the Philippines or Iran. And people are going to Texas and Arizona because they’re paying more than half of their incomes on rents. A major rent increase can destroy a person’s life.”

Some landlords, Bautista says, are using excessive rent increases as a way to get around the city’s eviction process. Rather than get tied up with eviction papers, judges, and attorneys, the landlords deliver a massive rent hike, forcing people out of their homes.

“We have crumbling buildings and they’re still trying to jack up the rent,” he explains. “It’s an intentional way to displace people.”

San Diego Tenants United has been calling on City Hall to institute rent control for years, but the politicians have refused to act. So Bautista and his crew are now looking to pass rent control through a citywide ballot measure.

“We have to protect the most vulnerable,” he says. “We see who’s being targeted. It’s lower-income people.”

The signature gathering effort is never easy for under-funded activists.

“It will be very difficult,” says Bautista. “But from what we’ve seen, people flock to the rent control initiative because it’s so desperately needed.”

For too long, Bautista says, the system has been rigged in favor of developers and landlords, with working-class residents suffering the mean consequences.

“To them,” he says, “we’re just numbers on the spreadsheet.”

El Cerrito Activist Fights for What's Right

Not too long ago, Karina Ioffe, a journalist-turned-activist, had the misfortune to run up against the California Apartment Association. The CAA, one of the most powerful landlord lobbying groups in the state, is known to smackdown anyone who tries to protect renters from unfair evictions and outrageous rent hikes.

“They send people into any locality when they get a whiff of rent control,” Ioffe tells me on a recent Saturday morning. “They’re an organization that has massive resources. They’re a force to be reckoned with.”

Ioffe and I sit at a wooden table in a cafe on San Pablo Avenue in El Cerrito, a working-class city about four miles north of Berkeley in the East Bay. She is 40 years old, a mother, and founding member of the Alliance for Secure Housing, an off-shoot of the social justice group El Cerrito Progressives. She was born in Riga, Latvia, and moved to California with her family in 1989. She speaks fluent Russian, English, and Spanish. For 15 years, she worked as a reporter for local newspapers. Recently, she made the switch to activism.

“I got tired of being a fly on the wall, an observer,” Ioffe explains. “I wanted to be a social justice advocate—and warrior.”

She has a strong sense of what’s fair and unfair and feels a somewhat unexplainable urge to help people.

“My partner calls it the ‘Mother Teresa complex,’” Ioffe says with a laugh. “I just see, if you look, that there’s so much inequity.”

She adds, “I was bullied as a kid. Big time. So was my sister. I defended her, and we got into a few fights over that... I just like to stand up for people who can’t defend themselves.”

For her day job, Ioffee works for a non-profit that protects immigrants in Contra Costa County, providing rapid legal assistance and fighting deportations. During her off-hours, she battles for housing justice in El Cerrito, where she lives.

“As a constituency,” Ioffee says, “tenants are at the whims of the landlords. El Cerrito doesn’t have any renter protections at all.”

Like much of the Bay Area, rents in El Cerrito have increased rapidly over the years—and there’s no sign that’s going to stop.

“Housing is the number one issue facing the Bay Area and facing the state,” says Ioffee. “People are paying a huge part of their paychecks on rent, and you can’t save for anything else.”

In El Cerrito, seniors on fixed incomes and working-class residents are getting slammed by exorbitant rents.

“We have senior citizens tell us that if this keeps up, they’ll have to move out of state, where they don’t know anyone.”

But just as sky-high rents are all too common in California cities, so is the lack of political will by elected leaders to do anything about it. Here are the articles I wrote whether it’s Sacramento or San Diego or El Cerrito.

“The sentiment one gets when going to a City Council meeting,” says Ioffee, “is that they’re completely out of touch with what renters are going through.”

So earlier this year, Ioffee and her fellow activists pushed for a number of tenant protections, including just cause eviction—a landlord must have a reason to kick someone out of his or her home. By May, the El Cerrito City Council approved a watered-down version of what housing activists wanted. It only applied to around 15 percent of the city’s rental units, Ioffee says, but it was something.

The California Apartment Association, though, believed even that was too much, and started a signature drive to repeal it.

“They engaged in a total misinformation campaign.”

Ioffee says that signature gatherers misleadingly told residents that they should sign the petition if they wanted rent control—a complete lie. Other signature gatherers said that if residents didn’t want criminals to move into El Cerrito, they should sign. The CAA is known for such underhanded tactics.

Last year, in Mountain View, California, the landlord lobbying group tried to repeal renter protections through a ballot measure, with CAA brazenly framing it as a good thing for tenants. But the disingenuous effort failed to get enough signatures. Mayor Lenny Siegel said in a strongly worded statement: “Mountain View voters were not fooled by the apartment owners’ deceptive campaign to place the sneaky repeal on the ballot.”

El Cerrito residents, however, weren’t experienced in the tricky ways of the California Apartment Association. The lobbying powerhouse got the signatures it needed, forcing the City Council’s hand. The politicians folded, and repealed their own watered-down protections in August. Ioffee witnessed the vote at City Hall.

“It was another example of CAA’s power,” she says. “It was a joke. At that moment, it became clear to me that getting anything through the City Council was going to be next to impossible.”

Ioffee adds, “Our group is not anti-landlord. It’s anti-rent gouging. We want fairness for tenants.”

Ioffee and the Alliance for Secure Housing are now undertaking a citywide education campaign to better inform residents about tenant protections, with the possibility of placing a rent control initiative on the local ballot.

“We just need a little more empathy in California,” says Ioffee. “We’d live in a much better place.”

Concord Activists Empower Renters

As Brown Berets, Jessica Aguallo-Hurtado and her husband, Jesse Hurtado, travel throughout California to help the underserved in the Latino community. They tackle, for example, police brutality, immigration reform, and education issues. Recently, they added housing justice to their activism. What was happening in their hometown of Concord, a middle- and working-class city that’s 22 miles northeast of Oakland, could no longer go unattended.

“You have family after family saying they had bugs, living in places that were uninhabitable.” Jessica tells me on a recent Saturday afternoon. “And if they said anything, they were worried they’d get a huge rent increase or evicted.”

Jessica, Jesse, and I meet at a coffeehouse across the street from Todos Santos (or “All Saints”) Plaza, the historic downtown park that features a bronze statue of Don Salvio Pacheco, who founded Concord in 1869. Jessica and her family are native San Franciscans. Jesse, a disabled veteran, is from Los Angeles. Jessica and her elderly parents moved to Concord from San Francisco because the rent was getting too high, and she wanted to look after them. Jesse, who’s a general in the Brown Berets, joined them.

The Brown Berets, a social justice organization, was founded in the late 1960s in Los Angeles—and became an integral part of the emerging Chicano movement. They fought police brutality; they opposed the Vietnam War; they pushed back against discrimination; and they turned into a national movement with chapters in, among other places, Arizona, Texas, Oregon, and Colorado. The Brown Berets is smaller now, but its members are still active, still fighting the good fight. That includes, of course, Jessica and Jesse.

The two make for an interesting couple. Jessica is 54 years old, gregarious, knowledgeable, and passionate, giving the impression that she's unstoppable.

"I have always been a champion of the underdog," Jessica says.

Jesse, who uses a thick, wooden walking stick to get around, is 60 years old, laid back, and quiet, but just as passionate as Jessica. One gets the feeling that he's strategizing as he listens.

"I keep saying," Jesse tells me, "'We have to do it L.A. style. We have to get into people's faces. They're not going to listen.'"

He was referring to the Concord City Council, who, year after year, has done little, if anything, to protect renters from predatory landlords.

"Concord is very conservative," Jessica explains. "People think you don't treat your politicians that way. But my husband and I are saying you have to march. You have to protest. The politicians are on the side of the landlords."

That refusal to help has especially impacted residents of the "Monument," a largely Latino neighborhood in Concord, where people are facing rent hikes of \$200 or \$300 or \$500 per month. Put another way, that's \$2,400 or \$3,600 or \$6,000 per year.

"The landlords are raising rents so much," says Jessica, "and the tenants can't afford it. The rent increases are out of control."

For several years, Concord residents and activists have sought stronger renter protections, such as just cause eviction, an anti-rent gouging cap, and better tenant-landlord mediation, but city politicians have resisted. It's the same kind of indifference that renters and activists are dealing with in other parts of California.

“How can you sit back when they treat you like that?” Jesse reasons.

Jessica believes it’s part of a larger plan hatched by City Hall to clear the way for more affluent residents and to gentrify Concord.

“They want the tech industry to come into the area,” she explains. “And they don’t want poor people around... It will only be a matter of time that, citywide, Concord will not be affordable.”

That’s not a wild conspiracy theory. Housing activists, for years, have been saying something similar in San Francisco and Los Angeles, where land-use policies pushed by city politicians have been a boon for corporations and luxury-housing developers, but have fueled gentrification in working-class communities of color.

“We want the City Council to recognize tenants, especially in the Monument, as constituents that they should take care of,” says Jessica.

To that end, Jessica and another Concord activist, Betty Gabaldon, established the first citywide tenants union in Contra Costa County: the Todos Santos Tenants Union. Betty, who came up with the idea, is president. Jessica is vice-president.

News of the ground-breaking tenants union made headlines throughout the Bay Area. At a press conference, Betty put the politicians on notice: “Here in the city of Concord, there is no protection for renters. We want to send a message that we, as tenants, are not alone.”

The tenants union will push for, among other protections, rent control and just cause eviction.

“We’re pushing the idea that housing is a human right,” says Jessica.

She adds, “The main goal is for renters to empower ourselves. We will be a force that the City Council must pay attention to.”

For Jessica, Jesse, and the Todos Santos Tenants Union, the days of being treated like second-class citizens are over.

Unfair Rents Slam Fresno, Too

If there’s any doubt that middle- and working-class residents all over California need stronger renter protections, one should visit Fresno, and look up Grecia Elenes, the earnest, yet friendly senior policy advocate at the Leadership Counsel for Justice & Accountability. Born and raised in Fresno, and a graduate of UC Berkeley, Elenes knows a thing or two.

“There’s a huge population of people experiencing homelessness that I didn’t see before,” Elenes tells me inside her brick-walled office in downtown Fresno. “We’re seeing it a lot more. It’s people who are down on their luck, who couldn’t pay a sudden rent increase, or lost their job and couldn’t keep up with the rent. Rents are high and wages are stagnant around here.”

If that wasn’t bad enough, the people who somehow find a way to pay for a \$200 per month rent increase (that’s a spike of \$2,400 over the course of a year) are trapped in nightmare conditions, desperate to keep their homes.

“People are living in really substandard housing,” says Elenes. “Some folks tell us that cockroaches are crawling all over them and their children as they sleep. But there’s a fear of retaliation if they complain. Many people are undocumented. They don’t want to get into trouble, and they need housing.”

Elenes is 28 years old. Her father was a farm worker, and later turned into an entrepreneur. Her mother worked as a grocery store clerk. She

grew up working class, and studied environmental science at Berkeley, where she learned about international poverty and clean water problems in the Central Valley. Elenes landed a job with the state of California, then came back home to work for the Leadership Counsel, a social justice organization that helps vulnerable communities in the San Joaquin and Eastern Coachella valleys. She wanted to stand up for the lower-income people she grew up with.

“We believe that communities know best,” says Elenes, who, like many housing and social justice activists, is wary of the top-down policies routinely pushed by politicians, the real estate industry, and even the mainstream media. “We believe that they can come up with good solutions.”

If those policy makers and reporters talked to her, they’d learn that the Bay Area’s gentrification and housing affordability crises are now triggering higher rents in Fresno, nearly 200 miles away. They’d learn that gentrification and excessive rents have pushed working-class people east to Stockton, and then south, along Highway 99, to Modesto and Merced and Fresno. All of them are constantly moving, trying to find cheaper places to live and decent jobs to cover the rent.

“The rents in Fresno are affordable for someone making \$60,000 a year,” says Elenes, “but not for low-income people. Some are only making \$10,000 a year.”

Many people can’t move anymore. They don’t know where else to go. The rent, as they say, is too damn high.

“If people could move,” says Elenes, “they would. But it still doesn’t solve the systemic issues that are at play here.”

Some of those systemic issues—in Fresno or San Diego or other cities in California—involve political indifference and the outsized influence of the real estate industry on local and state legislators. Wherever you go,

politicians push pro-gentrification, trickle-down, deregulation housing policies that enrich developers and landlords, but fuel gentrification, sudden evictions, and increasing homelessness.

“There’s a strong will [in Fresno] to not build affordable housing or mixed-income housing,” says Elenes. “The people who have the most money are developers and lobbying organizations. There’s a lack of political will to go against that.”

She adds, “The development industry has a real strong hold on City Hall.”

Among other community-based solutions, Elenes wants to see politicians prioritize the building of truly affordable housing over luxury housing; more quickly produce housing for the homeless; and implement rent control.

“We’re seeing people have their rent increased from one month to the next,” says Elenes. “\$200 rent increases is not uncommon, unfortunately.”

Before she returns to work, Elenes lays it out for the politicians.

“The state really needs to establish and understand that housing is a human right,” she says. “It’s like a domino effect, like how the lack of clean drinking water has a domino effect. When young kids have a stable, affordable housing environment, which is a basic need, they can become a contributing citizen. They can become a teacher or an advocate or a doctor. If you don’t have that, then it’s very hard to achieve in school and contribute.”

Advocates on the frontlines understand this. Do the politicians? Or do they even care? For activists like Elenes, they’ve seen the damage caused by cheap talk and trickle-down, top-down solutions. Last year, more than 150,000 Californians were unhoused.

Call to Action:

Progress for Everyone



Housing Is A Human Right marches in South L.A.

California’s housing affordability and gentrification crises are real.

There’s no disputing that. Even Los

Angeles Councilman Jose Huizar, former chair of the Planning and Land Use Management Committee, said that numerous parts of L.A. have experienced a “mass-scale change of demographics”—another sneaky phrase for gentrification. Middle- and working-class residents in New York, Detroit, New Orleans, and many other American cities are struggling with the same crises—made worse by the COVID-19 pandemic.

Gentrification doesn’t happen organically. It is, more often than not, guided by local and state politicians—Mayor Eric Garcetti, California State Sen. Scott Wiener, the San Diego City Council, among others—who work closely with Big Real Estate. This is something that the media, academics, and the public must understand—and acknowledge. If not, gentrification and the housing affordability and homelessness crises throughout the country will only worsen.

Gentrification is not good. It may improve a neighborhood for the affluent people who move in, but gentrification destabilizes the lives of many more—middle- and working-class residents—who long lived in the community and are forced out. And once a neighborhood is gentrified, middle- and working-class residents can no longer gain entry into that community—the rents are too high. In the end, gentrification doesn’t solve the larger problems—housing affordability and homelessness—that need to be addressed in order to have a healthy, productive, just society.

At a 2018 gentrification symposium at UCLA, Dr. Mindy Fullilove, a noted urban psychiatrist and professor at the New School in New York, hit upon that important fact. She explained that we're all impacted, one way or another, at some point or another, by the social ills that exist in a city, state, or country. "There's one community," Fullilove said, "and we are all a part of it. If we're trashing one part of the community, we are trashing ourselves." In other words, we must take care of each other, if only out of self interest.

Garcetti, Wiener, and politicians like them are probably lost causes. They'll most likely always push a pro-Big Real Estate, deregulation, trickle-down housing agenda. But there is an opportunity for other people to lead, whether it's community activists or grassroots movements or activists considering a run for office. They can hold politicians accountable, push for community-based policies, and start conversations about how cities and towns should grow, with an emphasis on what's best for all residents, not just the affluent. What's best, in other words, for the community.

Among activists and certain experts, it's widely believed that a key way to create a healthier community—for everyone who lives in that community—is to address gentrification and the housing affordability and homelessness crises by using the 3 Ps: *protect* tenants through stronger renter protections; *preserve* existing affordable housing stock and not allow it to be demolished; and *produce* truly affordable housing through more government funding and cost-effective practices such as the adaptive reuse of existing buildings.

Throughout the nation, rent control and rent stabilization movements have been rising up to protect tenants. Regulating rents can be rolled out sensibly and urgently to address housing affordability and homelessness crises that are unfolding right now. In fact, prominent experts at the University of Southern California, UCLA, and UC Berkeley agree that rent regulation is a key tool to stabilize California's housing affordability crisis. It should be utilized by politicians in other states.

“The housing crisis requires a range of strategies, [and] moderate rent regulation is a useful tool to be nested in broader strategy,” wrote USC Professor Manuel Pastor, co-author of the highly regarded report *Rent Matters*. “It has fewer damaging effects than are often imagined, it can address economic pain, and it can promote housing stability. And housing stability matters because it is associated with physical, social, and psychological well-being; higher educational achievement by the young; and benefits for people of color.”

In addition to rent regulation, community leaders and activists can demand a number of other things: that the public must be included, in a substantive way, in the creation of new land-use and housing policies; that government must build truly affordable and homeless housing more quickly; that government must be more transparent; that government must reform campaign financing so developers and corporate landlords are not engaging in pay-to-play; that governments must create, and routinely update, gentrification and displacement pressure databases; and that the culture of city halls and state houses throughout the country must change from developer-focused to resident-focused.

This is no small order. But change isn’t going to come unless the people make it happen, whether it’s through non-violent protest or voting out certain politicians or voting for certain politicians. And when judging the records of politicians, the people must look at their actions, not just listen to their words. The people must keep themselves informed.

Politicians like to speak grandly about the sunny, prosperous futures of their cities, states, and country, but those futures too often don’t include the poor and middle and working class—the janitors, construction workers, single parents, teachers, college students with huge school loans. And we’re past the time of endless speeches and big promises. Politicians must act, implementing solutions that help the community as a whole. Progress is not progress if everyone is not included in that progress.



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