Developers are “deliberately making properties uninhabitable”

Tenant rights attorney discusses housing crisis behind Oakland “Ghost Ship” tragedy

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On December 2, a warehouse in Oakland, California that was being rented out as artist studios burned down, killing 36 people, making it the worst building fire in the US since 2003. The “Ghost Ship” warehouse was rented by an artist collective known as Satya Yuga that hosted music shows and sublet studios that artists would also live in.

The antiquated building only had a permit for use as a warehouse. Public records show it had not been inspected for building code violations in over 30 years. The building was not even listed in the fire safety inspector’s database, despite state law requiring yearly fire inspections for all commercial buildings.

Without basic safety measures, like sprinklers, exit signs, or even working fire extinguishers, the maze of informally built live/work studios quickly became a death trap when the fire broke out. Investigators have not yet determined the immediate cause of the fire, although they suspect electrical failure.

The broader cause of this tragedy is the economic crisis, which has resulted in the slashing of public funding for safety inspections. At the same time, housing prices have skyrocketed as part of a speculative real estate bubble while median incomes have declined. Increasingly working-class and lower middle-class residents in high rent regions like the San Francisco Bay Area, which includes Oakland, can only afford substandard, informal and, in many cases, unsafe shelter.

The *World Socialist Web Site* spoke with Laura Lane, the Housing Practice Director at the East Bay Community Law Center (EBCLC), which provides free legal work for low-income residents in Oakland and neighboring Berkeley. Lane has worked at the ECBLC since 1997 and has been a director there for almost 15 years.

While a lot of the media has focused on the issue of artists moving into old industrial spaces, Lane explained that the problems with informal housing were much broader. “There are a lot of low-income people living in converted basements, and converted garages, and converted storage units,” she said.

“The housing costs are so high, people with ordinary jobs can’t afford market-rate housing. They have to live close enough to public transportation to get to their jobs. They don’t have the choice to move out to the Central Valley, so they have to live where they can. We see a lot more people living in smaller units, a lot of 4-person families living in one or two bedroom units. Then the landlord at some point says it’s too many people in the household.”

While tenants may have an oral agreement with the landlord, Lane said, they put up with hazardous conditions “because they’re in a position where if they complain, if they try to get the landlord to make any repairs or do anything to make the unit safer or more habitable, then the landlord will turn around and say ‘Oh, you’re not supposed to be living there’ or maybe will stop accepting their rent.

“I have a case right now,” Lane explained “where it’s clearly a residential rental agreement and the landlord is trying to evict the tenant saying ‘it’s a storage unit.’ It is a converted storage unit but it has a kitchen and a bathroom in it so it’s clearly not rented out for storage. It’s typical for the landlord to turn around and say ‘I had no idea you were living there,’ even though it’s clearly been prepared for residential use. We see that a lot.”

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These tenants are also unable to get the city to fix unsafe conditions. “They’re afraid to call Codes and Compliance because the building inspector could red-tag the property and then they would have to leave. But they can’t actually afford to leave so they’re in a very precarious situation.

“The clients I see, there’s no place for them to go. They’re either moving far out of the area, which if they’re employed at all they can’t do, or they’re going to be homeless. So every case is high-stakes because tenants have to fight to keep their tenancy because they’re not going to get another one. If they move out of that unit that’s been subject to rent control into a market-rate unit, they might be going from $800/month to $2000/month and that will be more than their family’s monthly income.”

In Oakland, the median monthly cost for a new rental is $3,000 a month, according to Zillow.com. That is equivalent to the median monthly income for households that rent in Oakland, which is also $3,000. A rental is generally considered “affordable” if it is a third or less of a tenant’s income.

“The majority of our work involves defending low income tenants who are being evicted. But it’s changed many times over the years. After the foreclosure crisis what we’re having is what I refer to as the ‘investor crisis.’ Investors have bought all of these properties and they are trying to push people out and get properties out from under rent control.

“What we’re seeing more and more is that they’re buying the properties and deliberately making them uninhabitable by doing a lot of demolition work in the property to force the tenants to vacate. Or they’re deliberately allowing the property to become red-tagged by the city so tenants will have to vacate.”

California law makes it illegal for cities to restrict the amount that rent can be increased for new tenants. Therefore landlords have a financial incentive to evict long-term tenants who are paying below market rates because of rent-control measures.

Lane described one of these cases. “I challenged an eviction of an elderly Cantonese man from an SRO (Single Room Occupancy residence) on 8th St. in Oakland. In June the case went to trial. The landlord bought the property, which had 40 units. In an SRO tenants share bathrooms and kitchens. So on each floor there were three bathrooms and one kitchen for 20 units and there were two residential floors.

“The landlord demolished one of the kitchens and four of the bathrooms, so then you had 40 households sharing one kitchen and two bathrooms. My client withheld his rent. He was the only tenant who did because everyone else was too scared. The landlord tried to evict him for nonpayment of rent and we won that case.”

Although the housing crisis is expressed sharply in cities like Oakland, it is a nationwide phenomenon. A study by Harvard University showed average rental prices in the US increased by seven percent between 2001 and 2014, while median household income declined by nine percent. That growing gap pushes more and more people into the housing gray market that produced the Ghost Ship fire.

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