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Tenants to rally over new landlord

Planned sale of 1,800 apartments to rent-control opponent has residents worried, spurs protest against seller

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Tenants who thought they had it bad under former landlord Page Mill Properties are worried things may get worse if their East Palo Alto apartments are sold to a Chicago-based company whose controversial chairman is an outspoken foe of rent control.

So a group of tenants and housing activists plans to rally Monday against Wells Fargo Bank, which is poised to sell the 1,800 apartments to Equity Residential Group, one of the country's largest landlords.



Romero
 Worried about one owner of low-income housing

East Palo Alto housing advocate William Webster, who sits on the city's rent control board, said the sale would be bad news for the apartments' low-income tenants. Equity Residential's chairman, billionaire real estate investor Samuel Zell, once acknowledged in a *Forbes* interview that he is a "professional opportunist."

"Page Mill properties was a Sunday school picnic compared to Equity Residential," Webster said. "The kind of tactics Page Mill was using are much better developed by these arms of Sam Zell's real estate empire."

The 1,800 apartments formerly owned by Page Mill make up more than half of East Palo Alto's rental units and a majority of those regulated by the city's rent-control ordinance.

Mayor Carlos Romero, who met with Equity Residential at the invitation of Wells Fargo to discuss the firm's interest in the apartments, said he is concerned about one company owning so much of the city's affordable housing stock.

"It will provide a tremendous amount of power, as we've seen with the history of Page Mill," Romero said.

Peninsula Interfaith Action helped the event organizers with turn-out and to prepare for this rally. PIA is working in conjunction with several other non-profit agencies in East Palo Alto to stop the sale of 1800 apartment rental units owned by Wells Fargo to a Vulture Developer named Sam Zell (who owns Equity Residential).

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Equity Residential hopes to redevelop some of the properties, although company representatives were "coy" when asked how many, Romero said.

"Equity's position is we can do a win-win-win — improve the community, remove some dilapidated units and replace those with a better product, with some affordability and some community amenities," Romero said.

However, most of the Page Mill properties are on the west side of East Palo Alto, in areas the city hasn't targeted for redevelopment.

While emphatic that there are no current plans to redevelop the west side, Romero agreed with Equity's assessment that some of the apartment buildings have fallen into disrepair.

"I think there are indeed properties on the west side and in the Page Mill portfolio that are past their useful life," Romero said. "There has to be some way to invest some capital in them."

Romero said that by renovating the buildings and adding more units, Equity could get a return on its investment and still maintain affordable units.

Page Mill began buying apartments in East Palo Alto in 2006 and quickly provoked community outrage by steeply raising rents and evicting tenants. The company also challenged the city's rent control law, which ultimately was re-

vised to close a loophole Page Mill had exploited.

But when Page Mill encountered financial difficulties, it defaulted on a \$250 million loan at the beginning of 2010 and Wells Fargo took over the apartments.

Wells Fargo spokeswoman Elise Wilkinson sent a company statement to this newspaper Friday that calls Equity Residential "an exceptionally well-capitalized firm with an extensive track record of handling large, complicated transactions and (has) demonstrated expertise in owning and managing rent controlled and rent restricted properties."

The statement also pointed out that since Wells Fargo took over the apartments, "occupancy has improved from less than 63 percent to over 90 percent, and there has been a marked improvement in the quality of life for residents, the overall physical conditions of the buildings and the relationships with East Palo Alto and San Mateo County."

The tenants and community organizations protesting the proposed sale say Wells Fargo broke a promise to keep them involved in the process of selling Page Mill's old properties.

Monday's demonstration will begin 4 p.m. at WestPark Apartments, 5 Newell Court, with a march to the Wells Fargo Bank branch at 400 Hamilton Ave. in Palo Alto.

Equity Residential did not immediately respond to a request for comment late Friday.