



Transcript Ep. 67: Rent Strike Series Part 1

[00:00:00] **Intro:** The Urban Political is looking for new members of its editorial collective. If you're interested, please contact us via our website urbanpolitical.online.

This is the Urban Political. The podcast on urban theory, research, and activism.

[00:00:23] **Mathilde Lind Gustavussen:** Welcome to the first episode of the Rent Strike series from Urban Political, a multi episode series where we'll focus on the Veritas Tenants Association's ongoing rent strike against San Francisco's largest landlord.

Today, we'll launch this series with tenants and organizers from the Veritas Tenants Association, or VTA, to discuss the history of the VTA, organizing against corporate landlords, organizing multi building majority rent strikes, and what happens when corporate landlords default on loans. After this episode, we plan to follow up with the VTA periodically to discuss developments, actions, retaliation from the landlord, and more.

I'm Mathilde Gustavussen, the host of this series. Before I introduce our guests, I'll give a brief overview of the VTA and the 4.5 billion corporate landlord they're striking against. Veritas Investments Inc. was founded in San Francisco in 2007 and originally held fewer than 100 units. Then in 2011, after an international investment fund infused several hundred million dollars into the company, Veritas purchased a portfolio of over leveraged assets which had collapsed during the recession, instantaneously ballooning Veritas holdings to more than 200 buildings, primarily in San Francisco.

Today, Veritas owns around 6,500 units in San Francisco alone, with additional holdings in Oakland, Alameda, and Los Angeles, making it one of the largest multifamily operators on the U. S. West Coast. The company specializes in acquiring smaller rent stabilized properties and maximizing profitability by automating and optimizing management through so called PropTech products, increasing fines and fees, and withholding maintenance.

Veritas also uses cash for keys offers and tenant harassment to force out long term tenants and convert their units to market rate, exploiting a legislative loophole provided by California's Costa-Hawkins Rental Housing Act, which allows landlords to reset rents to market rate when tenants vacate their rent stabilized units.

Veritas has termed Rent Control Department's potential cash flow upsides and described an annual turnover rate of over 30 percent as an achievement, summing up the corporate landlord business model where profitability is predicated on tenant exploitation, mistreatment, and displacement.

Meanwhile, the VTA, which began organizing in 2017, assisted by the Housing Rights Committee of San Francisco, has built up a presence of more than 100 Veritas owned buildings in the Bay Area and Los Angeles, making it a statewide tenant association. By organizing tenants across properties owned by the same corporate entity, the VTA is building collective power that approximates the scale of corporate consolidation.



The VTA leveraged this power through an unprecedented multi building rent debt strike begun in 2021 during the COVID 19 pandemic, when tenants from multiple buildings withheld their applications for California's rental assistance program, using their collective debt as power to force Veritas to negotiate on pandemic debt relief.

After the debt strike ended, the VTA helped formulate right to organize legislation for the city of San Francisco, which was passed in 2022 and guarantees organizing rights while obligating landlords to recognize and bargain with tenants associations in good faith. However, landlords, including Veritas, have been pushing back on the ordinance and refuse to recognize tenants associations.

So just to back up a bit, the rents I will be focusing on is actually separate from the campaign we had originally planned to cover for this series. Over the last eight months, the VTA has been carrying out a citywide contract campaign to force Veritas to rescind the rent increases of up to 13 percent they imposed on San Francisco tenants since the end of 2022.

While tenants live in rent stabilized properties, where rent increases of that scale are typically illegal. Veritas has been banking rent increases that were suspended during the pandemic and are now seeking to reclaim those losses through substantial rent hikes. The VTA has been carrying out escalating structure tests across buildings to gauge participation with the goal of ultimately undertaking a multi building majority rent strike for a citywide collective contract.

But as we were preparing to cover that campaign, Veritas defaulted on a nearly 1 billion loan on two separate portfolios that include 95 residential buildings. This set off a bidding process with multiple buyers, including Veritas itself, placing offers on the delinquent loans. Tenants at two of the buildings, one in the Mission, the other in the Tenderloin, decided to launch a rent strike separate from the contract campaign, demanding substantial improvements to their buildings, rent reductions, recognition of the Tenants Association, and for tenants to have a say in the terms of sale, with the ultimate goal of decommodification, having the buildings removed from the private rental market.

We decided to begin covering this rent strike and have brought in tenants and organizers to talk to us about it. Tenants from two buildings began withholding rent on June 1st and more tenants are expected to join on September 1st. We're hoping that this series can provide insight into the experience of living with and organizing against corporate landlords and hopefully into how tenants can change the terms and conditions of their housing through multi building organizing and multi building rent strikes.

But before we get started, I'd like for our guests to introduce themselves. Let's start with Lenea, tell us how long you've lived in your building and how long you've been organizing with the VTA?

[00:06:00] **Lenea Maibaum:** My name is Lenea Maibaum. I am actually born and raised in San Francisco. I've lived in my building in Union Square since 1995.

And I am also one of the organizers with the Housing Rights Committee.



[00:06:21] **Juan Martinez:** Thank you very much for that. My name is Juan Martinez. I've been organizing with VTA for the past two years. And I've been living in one of the Veritas building for three years already. And throughout this time, I already know, and I already saw and experienced a lot of difficulties that come along with being a part of Veritas Tenants.

And also acknowledging a lot of people that are in the same situation, living and having difficulties, trying to come into an agreement with Veritas. As far as negotiating, to prevent being homeless.

[00:07:15] **Brad Hirn:** Thank you. That was a great introduction, Mathilde, I just texted Lenea I want a written copy of what you said.

My name is Brad Hirn. I am a lead organizer at Housing Rights Committee of San Francisco with a focus on corporate landlords, and I'm a tenant in Berkeley in California.

[00:07:37] **Mathilde Lind Gustavussen:** Welcome to the podcast. Let's start out by setting the scene a little bit. Lenea, can you talk about the conditions in the buildings where tenants are on strike and tell us about your experiences having Veritas as a landlord?

[00:07:53] **Lenea Maibaum:** So, the buildings that we have visited, or the tenants have reached out to housing rights committee because of the way Veritas has been treating them, trying to exercise their rights. We would go out and do outreach or go door knock. And also, just hearing the tenant's story and their experience also about how Veritas has been treating them.

I kind of have a sense because I'm also a VTA member, but all buildings are different, and all experiences are different. The main complaint is rent increases, especially during COVID. We've been trying to get Veritas to be rent forgiveness. Tenants are struggling to wanting to pay rent, and since the economy and jobs were diminishing because of COVID, this is where we're trying to get Veritas to come to the table and be rent forgiveness, or at least bargain and negotiate with us.

So that's number one. Number two is also, they also been doing construction during COVID and how they do their construction is unhealthy, unsafe, and there's concerns about why they're doing it this way. I can tell you their main signatures when they first purchased the building is if a building has an elevator, it's tenants will say the elevator has been down for six months.

There's been a couple of times where I've talked to tenants where elevators have been down and they're trapped in their apartment, this is before COVID also. With my experience in my particular building, when they purchased it, we first got a pass through, which is an operating maintenance pass through.

And we reached out to housing rights committee, trying to understand what this pass through is and why we got it. Then thereafter, there was a few units that were vacant. And so immediately Veritas went into those units, which we have studios and one bedroom. They turned those studios into one bedroom and the one bedroom into two bedrooms using modern appliances and doing major upgrades to these units, where they did not pay any attention to the tenants that are still living in our buildings, even to this day.

The construction, how they were doing it was pretty horrific. One of my neighbours passed away because of the construction that was going on. His name is Nick. Prior to Veritas owning our building, he was diagnosed with cancer. He started to get better, he was working again, living life.

But after Veritas purchased the building, they were doing a lot of construction just on his floor. And the cancer came back to the point where even his doctor wrote a letter to Veritas to say, my patient is dying, please ease up on the construction, but they didn't.

So, he passed away. And that's just one of the stories of Veritas.

[00:11:29] **Mathilde Lind Gustavussen:** I'm so sorry. Juan, can you share some stories of your experiences with Veritas?

[00:11:36] **Juan Martinez:** Yeah, thank you very much for the time. I noticed that there are a lot of people that are being targeted as far as being vulnerable, as far as being able to communicate with the landlord and not being able to acknowledge their rights, that they have as a tenant, I also noticed that they prefer them not to get tangled up in problems because some of them, they feel afraid that they're going to be kicked out if they say something, being afraid, block them, taking action. I've seen so many rats, bedbugs, you name it. It's just hard to see them, it breaks my heart. Young kids suffering by pneumonia, the walls and the ceilings are breaking down and they don't even take care of those things.

They're supposed to change the fire alarms. Lenea and Brad, they know about this, about a building being on fire twice and they didn't even know about the fire, but luckily, they actually controlled it. They all want to take action now, God knows if they're going to wake up the next morning, it's just hard.

I also knew about [unintelligible] not too long ago because of the cancer situation, that he was suffering and that was really a devastating experience. And we met him, we talked to him, we got to know him, and all of a sudden, he's not there anymore. But that will not discourage us to continue fighting for what we think is right and fair.

We want to make sure that we are out there and bringing them on board to make them all a part of this fight, to make Veritas realize that we don't have a money symbol in our forehead, so they can just take advantage of it. We are human beings and because of that, we're supposed to have a little more respect. And to be heard, to be listened, so they need to know that we are human beings, not animals.

[00:14:23] **Mathilde Lind Gustavussen:** That brings us to some of the issues that you're trying to address with the strike. And it's important to mention that Lenea and Juan, you don't live in the buildings that are on strike right now, but you've been organizing with them for a long time. Can you talk a little bit about what the primary concerns are for those tenants and in demanding a say in the terms of sale?

Can you talk a little bit about what they would like to see happen?

[00:14:51] **Juan Martinez:** Yeah, of course. Actually, I have met a good number of tenants, maybe, I will say, 20 of them. And they all have issues in their apartments. They all have questioned that why is the apartment so expensive?

Why do they get extra rent increase? Well, not rent increase, but they actually been imposed to pay utilities. When in the beginning that was not part of the deal when they actually signed the contract, why is it that they are actually adding that extra money to our rent when we don't have a meter that tell us this is the amount of electricity that we're spending, this is the amount of water that we are using, and so forth.

They just come, boom, there's 200 bucks, you have to pay that extra money. Say, for instance, someone lives in the third or fourth floor and the elevator doesn't work for a number of months, maybe three months. They just don't understand why they don't fix it. Why is it so difficult?

They asked me for them to fix their alarm for the fire. The fire alarm. Why is it so difficult for them to come and see that our sink is not working properly? There's leaking, the floor is breaking down. You can see the floor that is inflated. I see places where it's all mouldy on the walls and on the ceiling and on the cabinets, you name it.

The bathroom is breaking down. You can see the black bubbles on the wall because there's so much humidity going on and they are tired of asking the landlord to come over and fix it. And that's when we kick in and we tell them, okay, we have to force the landlords to come to the table and sit with us to tell them why are we doing this rent strike?

To have this weapon of holding our payment when they are not listening. Why we have to obligate it? Why we have to force them to listen to us? Why we have to do these things when we can just peacefully come, they can negotiate with us. Why can't Veritas come to the table and say, okay, this is what we want to do, then let's work this out.

[00:18:03] **Mathilde Lind Gustavussen:** So, these really horrific conditions that you're describing and that you described before, both you and Lenea are obviously part of the demands and also why tenants are demanding a say in the terms of sale. Lenea, can you talk a little bit about what the tenants would like to see happen, with respect to the terms of sale?

[00:18:28] **Lenea Maibaum:** Yes, thank you. From talking to tenants, they would like to have a voice in a sale. And to be a part of the sale. And I think that's really important that that does happen. And this is why we would want to use the ordinance, and also empower tenants to really protect their homes, have better conditions and live in an affordable housing as well.

It is about having a voice to be heard.

[00:19:09] **Mathilde Lind Gustavussen:** "use the ordinance", can you just describe what you mean by that?

[00:19:14] **Lenea Maibaum:** Sorry, yes. Thank you for catching that. As of last year, of April, with the help of a few Veritas tenants and, housing rights committee, we had passed this law that's called the union at home ordinance.

Which is 32-22. And it's its first of its kind where a tenant can bargain, negotiate with their landlords, also to form a legal union within their building. I've always said that if you can union at work, you can definitely union at home. It goes hand in hand. It makes sense. So other places have reached out to us, as far as Canada goes, have reached out to us to say, gosh, how do we do that? We want to do that. It's exciting.

[00:20:11] **Mathilde Lind Gustavussen:** Brad can you explain what happened when Veritas defaulted on the loan and walk us through the bidding process and where things stand right now?

[00:20:22] **Brad Hirn:** We heard about the default. It's 2 portfolios of buildings, 1 of which, it's important to note, was up for sale pre COVID. So, I think Veritas publicly has tried to say that this is all about COVID and office workers and tech workers not coming back to the office.

But a majority of the buildings actually are part of a portfolio, that Veritas was planning to sell in early 2020. And that was the portfolio that is backed by the Baupost Group, a hedge fund based in Boston. So, then COVID started, and that sale was taken off the table. It didn't happen.

And then we fast forward to now, and we heard about this default. This is two portfolios roughly a billion dollars worth of assets. It's about 95 buildings. We heard about, so what's happening is that the lenders are trying to sell the loans.

They're not trying to sell the buildings personally. They're trying to sell the loans and so this company Eastdil Secured began to market or to publicize the loans and open up a closed-door bidding process. And we heard it through the real estate press that Veritas was planning to bid on its own debt, which is an interesting strategy to take and perhaps an intentional one where they can renegotiate the terms of their own debt and still hold on to the buildings and the loans.

A single homeowner would never be able to do that. He would be foreclosed on if you just didn't pay your mortgage. But here we have Veritas using the default to put itself in a position to renegotiate the terms of its own debt.

Because we weren't sure how this was going to unfold. And some articles said that the buildings would probably go into foreclosure. It wasn't entirely clear. The strikers put forth the demand around terms of sale and running the experiment of using the strike as a way to influence the sale and we're continuing to see how that unfolds.

[00:23:34] **Mathilde Lind Gustavussen:** And can you say what has the response been from Veritas thus far to this?

[00:23:40] **Brad Hirn:** I think classic union busting. They minimize it, they say it's not a strike. They say it's illegal. They say it's a small number of people. They say that the terms of sale

demand in particular is a part of a political agenda by the housing rights committee. They try to use that language, it's political, this is outsiders attempting to influence residents. The reaction has been like that.

There has been some movement though, in particular with 709 Geary, which is one of the buildings on strike, which we can get into maybe a little bit, but there's some interesting movement there in terms of Veritas did issue three-day notices to the strikers, three-day notices to pay or quit.

And then when we did get into a mediation facilitated by the San Francisco rent board, we sort of agreed to a temporary ceasefire where they agreed to rescind the three-day notices and start to open up negotiations on a couple topics, but not terms of sale. So, I think there's going to need to be a greater public push and an expansion of the strike for that demand to get a little bit more traction.

[00:25:23] **Mathilde Lind Gustavussen:** I think it would be helpful to zoom out a little bit and talk about organizing against corporate landlords specifically, which is a relatively new phenomenon for many tenants in the US and internationally.

And I touched upon it a little bit in the introduction, but maybe could you talk a little bit more about your strategy for building power in the VTA and explain how the union at home legislation plays into that?

[00:25:50] **Brad Hirn:** Yeah, I can start. How the tenants, how the members are attempting to build this union is to go building by building and form tenant associations in the buildings using majority petitions. Majority petition, meaning according to the ordinance, but to be honest, this would be our practice anyway, regardless of the ordinance, is to have a majority of the tenants in the building, telling the landlord, telling Veritas that they wish to form a tenant association.

They affiliate with the citywide VTA in San Francisco. And that tenant union then is the union that members from across buildings participate in, and so it's a structure to scale up power from the building level. Recognizing that at the end of the day, whatever Veritas' ownership structure is that there are particular individuals, particular executives, who have decision making power, regardless of the LLC on the building.

And so, we attempt to run through a pretty disciplined model of organizing of building up majorities. And demonstrating the power of those majorities through what are called structure tests, petitions, photo petitions, door signs on apartment doors. And ultimately strike votes.

[00:27:24] **Mathilde Lind Gustavussen:** I was going to get into this later, but we could maybe just talk about that now. The fact that the VTA draws inspiration from labour union tactics and strategies, especially those framed by organized with Jane McAlevey and books like "No Shortcuts" and "Rules to Win by". Can you talk a little bit about translating those practices to a tenant context?

For instance, how you're using structure tests to organize majority strikes.

[00:27:52] **Brad Hirn:** Juan and Lenea have both taken trainings with Jane McAlevey. Does one of you want to go first?

[00:27:58] **Lenea Maibaum:** I'll go. So, when Brad introduced me to Jane McAlevey, I said, okay, this is another piece of material that can make me become a better organizer.

Because this new career has found me where I did not find it, like Brad, for instance. So, I was excited to see what organizing can do and how that can change the community. I am very, very fascinated with Jane McAlevey. Her new book that just came out, geez, I forgot the name of it, but she actually wanted to have a mini-interview with myself and Brad.

And when Brad texts me that morning, he's like, oh, we're going to have an interview with Jane McAlevey. I flipped out. So, we had the interview. It was supposed to have been half an hour. But it ended up being an hour, the last half hour was just talking personal about her experiences.

I was star struck for sure. And then how she puts it to the 6 steps. And trying to empower tenants, and it's not only about the six steps, but it's also building trust within the tenants because you're walking into a building that you don't even know, you're talking to strangers in their home, and you're having these really intense, very personal conversations. They're not like, Oh, what's for dinner? It's kind of like, what's it like living right now in your unit and it's pretty deep.

Number 1 is building trust and then you go into those steps to have the tenant realize that building power within themselves first so that they can go and talk to their other neighbours about how to organize and how important it is to organize. That's the one thing of the importance of how Jane McAlevey does her craft. Did I answer your question?

[00:30:15] **Mathilde Lind Gustavussen:** I think so.

I think it's interesting to also think about any specific adjustments that you need to do because the structure is the home, and what the structure tests look like, specifically in the case of the contract campaign or this rent strike.

[00:30:42] **Lenea Maibaum:** After having this type of conversation with the tenant, giving them something to do.

For instance, the union at home ordinance where we're like, who do you think would sign on to this petition quickly, where we don't have to like, well you should, do most of the work. And so that's how we would start a petition or any petition, regardless of talking to tenants, that would be easy to talk to.

I don't like that word easy, because this job is not, but in this case it's easy to talk to, and then we go to the ones that might need a little bit of a nudge. And at first tenants get really scared. They don't know how to talk to their tenants.

So, this is where the relationship is built. And then there's a few buildings. In fact, there's 2 buildings that are, I'm trying to get them ready to be withholding their rent for next month. I just gave the tenant a petition. I went door knocking with her just to see how to talk to tenants and how it feels to door knock.

And I'm like, there you go. And two days later, she was able to get a super majority of the petition. I did an introduction of door knocking. And for me, I believe she is one of the organic leaders, as Jane McAlevey would say, is finding those organic leaders and also finding those activists, which is nothing wrong.

They both are hand in hand, but I think it's important to find that one or two organic leaders.

[00:32:25] **Mathilde Lind Gustavussen:** Juan, do you want to add anything?

[00:32:29] **Juan Martinez:** Thank you very much for the time. I think Lenea actually covered all those topics. I don't think I could have done it better myself.

[00:32:43] **Mathilde Lind Gustavussen:** Then maybe, let's zoom out a little bit again and talk more about rent strikes.

So rent strikes have always been a powerful tool of tenant movements but rent securitization in the corporate landlord structure amplifies their potential because corporate landlords take on debt to expand their portfolios, rely on rental income to pay shareholders and bond holders. Can you talk a little bit about the potential of rent as power and withholding revenue in the corporate landlord structure generally and in this specific context where the VTA is trying to influence the terms of sale?

[00:33:19] **Juan Martinez:** In my opinion, I think, they are willing to really do something is something that is new. Not many people know what rent strike means. And how hard it might be at the beginning for them to get involved on something like this. But when they realize that they actually have a powerful tool to make things happen, that's when they actually come on board.

They are a lot of tenants in the same situation. So, they feel empowered, they feel encouraged. They support one another. They actually talk to their own neighbours. Now they're talking, now they're getting together and that's a nice thing.

[00:34:23] **Mathilde Lind Gustavussen:** Brad, do you want to add anything about the, so you're saying that you're testing this out is how the rent strike, whether it can affect the terms of sale, and if so, how? Can you talk a little bit more about the thinking behind that?

[00:34:40] **Brad Hirn:** I think it's also important to restate that the strike was not just taken lightly.

The strikes are not the first thing that these tenants have tried to do to get the attention of Veritas on their demands. And the case of 14th Street, 320 14th Street, they we're attempting for a year to get basic union recognition and for many months fought evictions, attempted evictions of 25 percent of their buildings.

It's not like this was just like walking up [unintelligible] going on strike. In terms of the securitization, I think that's, yes, because it's not just Veritas executives or GreenTree, the property management company, expecting the income, it's that these investors from around the country in the world who are counting on this cash flow, and if and how tenants can interrupt that and disrupt that.

And then also use it as a point of leverage. It would be like, if us as workers were like, oh, we're not going to consider or learn how to build towards being strike ready. We're not going to recognize the power of that. I think it's similar here in that the rent is what is at the core of this relationship between landlord and tenant. And for a corporation like Veritas, who is counting on investors to speculate on the rents, if investors are seeing that tenants are organized, getting strike ready and then launching strikes, then it makes Veritas' business model seem riskier. And then Veritas becomes a bad investment.

[00:36:57] **Mathilde Lind Gustavussen:** What's interesting about that is the concept of scale, is that the more tenants on rent strike, the greater the hit for Veritas. The more people withholding rent the less money they get from their investors. So, it's the greater the disruption.

So, this whole point of scale, can you talk a little bit about moving from a single building on rent strike or two buildings on rent strike, which you have right now, to scaling up and bringing more buildings in, to have that greater effect in a multi building rent strike?

[00:37:36] **Brad Hirn:** I think it's very challenging first off, because the VTA is also growing as an organization itself. So, it's wrestling with all the things that emerging young organizations do, which is questions around internal decision making, internal democracy. There's a history of trying to figure those things out.

There's also an attempt by these 2 buildings to pave the way, and that if they can win things that are more transformative, right? Or when demands that tenants have not previously been able to do, then it charts a path forward. But I think, what tenants to try to do with expanding the strike is visiting other buildings themselves.

So that members who are on strike can talk to members who are preparing for a strike, and they can start to see that they cross buildings. One of the buildings on 14th street is going to hold, several of the members are musicians, professional musicians in San Francisco. And so, they're going to hold an outdoor concert on August 19th to amplify the strike, to benefit the strike and do something fun around it. Because if you go to these buildings and you're just driving by or whatever, you would never know they're own strike. That's something that we think about and try to figure out, how do we, there's not like a daily picket line.

Maybe there could be or should be, but it's tough when people are going to work. So, trying to figure out ways that the strike becomes a public act that is more visual, that is developing public support, that remains in the public eye and in the public narrative.

And it's been challenging to do that, but I think we're trying to try some things out with the tenants own networks and skills and own relationships in the city.

[00:40:11] **Mathilde Lind Gustavussen:** Can you talk a little bit more about that? What are some of the things you're considering? And some of the things that you have, in addition to this concert, some of the things that you have planned for the next month? Hopefully more tenants doing this, right?

[00:40:24] **Brad Hirn:** The Geary Street tenants have a great practice of doing gatherings in their lobby. One of the tenants makes really good gumbo. They have these great gatherings.

[00:40:42] **Lenea Maibaum:** Actually, soup. Made gumbo and soup and gave them out to his neighbours. Which is really cool.

[00:40:50] **Juan Martinez:** Yeah, I remember that.

[00:40:54] **Brad Hirn:** And tomorrow night we're going to be having the first gathering of a few tenants from a building that could be preparing for a strike. We'll see.

And we want to try and do, it's like not complicated stuff, just more around how tenants get to know each other through not just the issues they have with Veritas, but also through their cultures, where they come from, their lives in the city, and how those things interact.

Food becomes a really important thing. Music becomes a really important thing. And I think sometimes we lose sight of those things, but I think when you're doing something like a strike, it needs to feel fun's too casual of a word, but it needs to feel like you're doing something in motion, that you're like, this is a thing that is empowering.

This is a thing that is energetic, so I think we're trying to figure out how to do more of that.

[00:41:58] **Lenea Maibaum:** If I can also ask, brad, I'm going to piggyback off of what you just said, that it's feeling all those, but also feeling less risky, not so risky. Because withholding rent, it's a huge risk and tenants that I talked to are just like, no, I don't want to, I don't want to get evicted.

Most of the tenants or the buildings that we are also working with, for now to test it out, is that most of these buildings have notices of violation. And in a law that was discovered that if a building does have a notice of violation that the landlord cannot demand or request for rent, rent increases or evictions.

So, this is something how we say, we look at the building, we do a little research, we say, did you know about this? Did you know about this law? And that's saying that there is a law where you can actually withhold rents, so let's use it.

[00:43:04] **Mathilde Lind Gustavussen:** Thanks for mentioning that. Both buildings that are currently on rent strike are covered by that law. So those tenants cannot be evicted for being on rent strike because the notice of violation, which has to do with the maintenance issues and habitability issues of the building have been going on for so long that the city allows withholding of rent. Is that correct?

[00:43:30] **Brad Hirn:** We call it a shield. It's a state law. So, it's a section of the California civil code: 1942.4. it's been around. The attorney that the tenants are working with learned about it, found it. I wouldn't say that the city is sanctioning these strikes, because they're not.

But the strikers are using the state law as a shield. And yes, Lenea is right. It specifically says that when there's a notice of violation that's been in effect for more than 35 days, a landlord cannot issue a three-day notice. So, the issue with Geary Street is a little bit more nuanced. It's then smart of Veritas to try to abate the notices of violation to try to fix the issue, right?

And they tried to do that there. It was an elevator issue, they fixed the elevator, it was working for a week, then it breaks down again. So, they try band aid fixes on these issues. The 14th Street NOV's are far more extensive, so it's, I think, difficult for them to fix those notices of violation because the issues are more expensive and so if their cash flow's interrupted and then they can't address these issues, even if they wanted to, although the NOV's have been in effect for before the strike, so then it's tough for them to do that.

[00:45:09] **Mathilde Lind Gustavussen:** So, I guess one final question I have is, when we talk about majority strikes or building a supermajority in the building, can you talk about why that is so important for this specific struggle and why you emphasize reaching that majority before buildings go on strike rather than individual tenants from individual buildings joining the strike?

[00:45:37] **Lenea Maibaum:** This is a survey that we had done and it's about where tenants are at. That's one of the structure tests. A beginning of a structure test, along with other things that we're trying to get tenants to do is first do a survey just to see where tenants are at.

And we have surveyed a vote regarding what to bring to the table when we do get that meeting or negotiating meeting with Veritas. We did a door sign, meaning that Veritas negotiate with the VTA kind of thing. And then we do a meeting, if the tenant has or done their first meeting after doing the petition.

And who attended public actions regarding the contract campaign. And the last is rent strike ready. So, this help us see where tenants are at.

So, it's like for Veritas having, they say they're not corporate and there's a certain number that you would need to claim yourself as a business as a corporate business. But because they're just a few staff shy of becoming corporate, they still act like corporate. And so, if they have a majority of staff, well, hell, we can get a majority of tenants overpowering their majority. Higher numbers is more empowering than lower numbers.

[00:47:25] **Juan Martinez:** Exactly. Well said.

[00:47:27] **Mathilde Lind Gustavussen:** All right.

I think that's a nice place to end our conversation for today, but we're looking forward to following along and we'll be back with an update on the strike. Thank you all so much for being here and we'll talk to you soon.

[00:47:44] **Juan Martinez:** Thank you for having us.

[00:47:45] **Brad Hirn:** Thank you so much.

[00:47:47] **Lenea Maibaum:** Thank you.

[00:47:47] **Outro:** For more information visit our website urbanpolitical.podigy.io

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