

Rent Stabilization Board

January 26, 2023

Chief Investment Officer Jagdeep Singh Bachher
Office of the Chief Investment Officer of the Regents
University of California Office of the President
1111 Franklin Street
Oakland, CA 94607

Re: Call on the University of California to divest more than \$6 billion from Blackstone Investments, including nearly \$4 billion in recently acquired holdings from Blackstone's Real Estate Income Trust (BREIT)

Dear Mr. Bachher:

I write to you on behalf of the City of Berkeley Rent Stabilization Board (Rent Board). On January 19, 2023, the Rent Board unanimously voted to demand the University of California Regents divest its investment in Blackstone Real Estate Income Trust. Tenants worldwide have struggled with Blackstone because of the predatory and negligent management of its rental housing portfolio. The University of California Regents' recent investment into Blackstone's REIT shows a callous disregard for the housing crisis facing your students and the communities surrounding your schools.

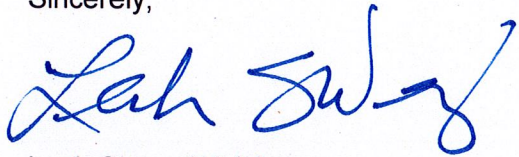
We join university unions, tenants across California, and the United Nations Human Rights Council to express our grave concerns about this investment. As far back as 1999, the United Nations Council put the United States government on notice of violations by Blackstone of the United Nations Guiding Principles on Business and Human Rights (UNGPs) into Human Rights Council resolutions 34/9 and 35/7. This troubling behavior, unfortunately, has not been left in the past.^[1] As recently as January 2023, angry residents from a Blackstone REIT building in San Diego traveled to a rally in Los Angeles to confront BREIT over cockroach infestations, maintenance concerns, and eviction fears.^[2]

It is incumbent on the Regents, as a public institution whose mission "is to serve society as a center of higher learning, providing long-term societal benefits" to root decisions in the greater university community.^[3] As such, you must ensure its investment dollars are utilized to foster housing that meets the immediate need of the students, educators, and communities surrounding the universities. Instead, you have invested in a questionable company whose practices have forced governments to pass laws solely to address its abusive practices. ^[4]

It is very frustrating that such a troubling investment be made when Berkeley is struggling to respond to a housing crisis partially due to the Regents' failure to provide affordable housing for its students. The Rent Board believes that growth in a REIT run by Blackstone will lead to unnecessary harm to our diverse community and request that the Regents act immediately to withdraw its investment.

Thank you for your consideration of this request. Should you have any questions or wish to talk further, please do not hesitate to contact me.

Sincerely,



Leah Simon-Weisberg
Chair, Berkeley Rent Board

Cc: President Michael V. Drake, M.D., Chair Rich Leib, Vice Chair Gareth Elliott, Maria Anguiano, Elaine E. Batchlor, Marlenee Blas Pedral, Carmen Chu, Michael Cohen, Gareth Elliott, Howard "Peter" Guber, Jose M. Hernandez, Hadi Makarechian, Ana Matosantos, Lark Park, John A. Pérez, Janet Reilly, Mark Robinson, Richard Sherman, Jonathan "Jay" Sures, Chair of Academic Senate Susan Cochran, Student Regent Delegate Marlenee Blas Pedral

References:

- [1] <https://www.theguardian.com/business/2022/sep/29/blackstone-rebellion-how-one-country-worlds-biggest-commercial-landlord-denmark>
- [2] <https://therealdeal.com/2023/01/20/blackstone-reits-latest-adversary-tenants/>
- [3] The [University of California Academic Plan](#); [The University of California Mission](#)
- [4] <https://www.theguardian.com/business/2022/sep/29/blackstone-rebellion-how-one-country-worlds-biggest-commercial-landlord-denmark>