

# Enough is enough: Tenants join landlords in Bay Area exodus as San Francisco's City-of-Shit reputation sinks into corruption



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Portrait: A San Jose group of friends and family have decided to leave Silicon Valley for the cheaper and less crowded Colorado Springs, CO. Tony Hicks, (fourth from left), the landlord, is selling his three homes in San Jose. His tenants, whom he considers friends, are moving to Colorado with him and will live in new homes that Hicks plans to buy with the proceeds. Pictured are, from left, Tony Hick's wife, Fidessa Hicks, 31, Edwin Blomgren, 70, Ron Remington, 66, Tony Hicks, 58, Hick's daughter, Jihae Cho, 8, Retta Setser, 66, Mike Leyva, 64, Tom Hartmann, 63, Daniel Harvey, 60, and Dale Delabrué, 57. (Dai Sugano/Bay Area News Group)

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SAN JOSE – Tony Hicks moved to San Jose in 1981, but he’s had enough.

Hicks told his 11 tenants he would soon place the three homes he owns on the market. He expected disappointment. Instead, most wanted to move with him to Colorado.

“It didn’t take them long,” Hicks said. “I was surprised.”

Rising prices, high taxes and his suspicion that the next big earthquake is just a few tremors away convinced the retired engineer to put his South San Jose properties up for sale.

The groundswell to leave Silicon Valley — the place of fortunes, world-changing tech and \$2,500 a-month-garage apartments — has been building. For at least the last nine months, the San Francisco metro area has led the nation in the number of residents moving out, according to a survey by online brokerage Redfin.

San Jose real estate agent Sandy Jamison has seen many long-time residents and natives leave the state recently. The lack of available housing, leading to some of the priciest real estate in the country, is driving many from the region, she said.

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Jamison has even drawn up a marketing flyer for the top five reasons people leave the Bay Area: high taxes, cost of living, quality of life from traffic to homelessness, politics and high housing prices. For many long-time residents, she said, “they feel like they don’t belong here any more.”

Hicks and his friends share the sentiment.

“I’ve been thinking about this for a long time,” said Dan Harvey, 60, a retiree in one of Hicks’ rentals who is concerned about the traffic he fights on his Harley Davidson and the high cost of living. “A fresh start.”

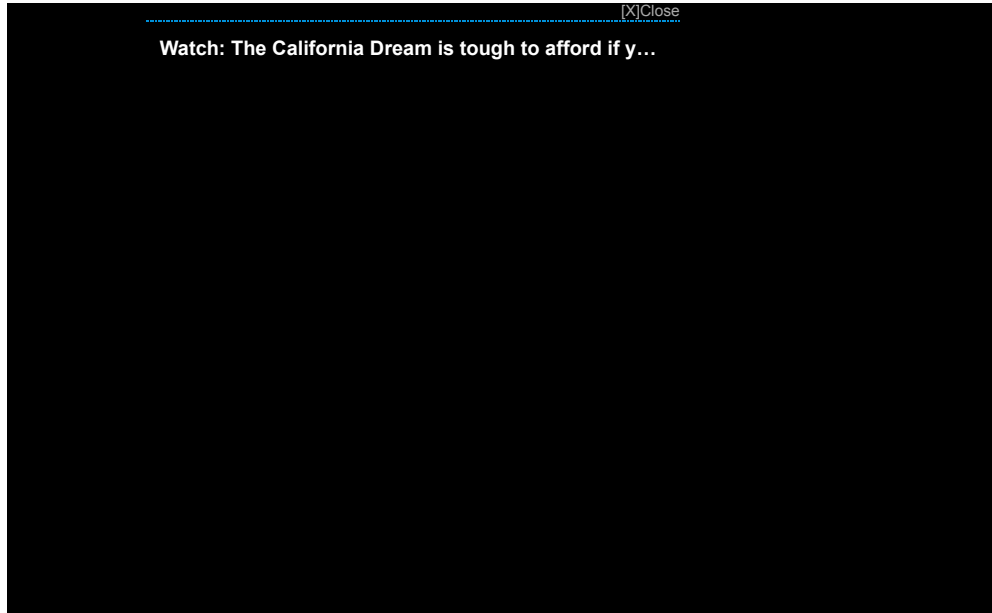
The landlord and tenants came together through Hick’s rental ads on Craigslist and in the newspaper over the last two decades. They grew close with common bonds of conservative politics, religious faith and motorcycles.

It’s an unlikely collection of 10 men and one woman — a retired engineer, a few military veterans, blue collar workers and others on fixed incomes. Few say they could afford to go it

alone in the sky-high housing market in San Jose, where a typical two bedroom rents for about \$2,500 a month, far more than what they pay Hicks.

Most of the men are divorced, widowed or never married, and many suffer from health ailments and a crankiness exacerbated by Bay Area traffic, crowding and the state's liberal policies on crime and immigration.

Hicks, 58, was an engineer and marketing executive at IBM, Xerox and other companies before retiring in his early 40s to raise his daughter from his first marriage.



***BAY AREA HOUSING CRISIS: A five-county poll conducted for the Silicon Valley Leadership Group and this news organization also found that more than one-third of Bay Area apartment renters and one-quarter of residents in their 20s and 30s say they are struggling to afford their housing.***

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He bought a few investment properties in South San Jose, and looked for long-term returns when he sold them. He kept rents low — between \$500 to \$1,200 a month for one bedroom — and never raised prices once a tenant signed a lease.

Many of his tenants have been with him for more than a decade.

“We became brothers,” said Mike Leyva. The 64-year-old Army veteran and retiree signed a lease in 2004 and never left.

In recent years, Hicks began to believe there was a better life outside the valley.

Vaulting real estate prices added incentive. He kept up on tax laws that could maximize the returns on his property. Selling his San Jose rental houses and buying new properties with

the proceeds would allow him to defer taxes. “It’s a great financial move,” he said.

Hicks was also moved by discussions with his pastor and sermons at his church, the Vietnamese Living Word Community Church, about Biblical journeys. His spiritual beliefs guided him to his decision to move with his new wife, Fidessa, 31, and her 8-year-old daughter.

Cautiously, he broke the news to his friends.


“I was totally shocked,” Leyva said. “I thought he was joking me. I had a lot of questions about it.”

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Leyva spent two days researching the move and became convinced. He expects to slash his rent from \$1,200 to about \$800 a month, with more room in a newer home bought by Hicks. “I’m excited,” Leyva said. “It’s going to be a new journey in my life.”

Ed Blomgren, 70, pays \$495 a month for one bedroom and a shared bathroom. The retired machinist, a Navy veteran, lives on a fixed income and couldn’t afford market-rate rent.

Blomgren grew up in Colorado, and he welcomes a chance to return to his home state, where he still has family. “At my age,” he said, “I think it might be a good thing.”

Portrait: Edwin Blomgren, 70, rents a room from Tony Hicks. Blomgren is one of several tenants planning to move to Colorado with Hicks. (Dai Sugano/Bay Area News Group)

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Hicks planned to stagger the sales of his properties over several months, to make the move easier. He went to Colorado Springs with his wife, Leyva and Harvey in December to scout properties.

He expects to get a lot more for his money. The median home value in Colorado Springs is \$263,000, compared to \$1 million for a single

family home in San Jose, according to real estate website Zillow.

Hicks came to Jamison with a proposal: sell all three homes, so he could buy a half-dozen newer, bigger and cheaper homes in the smaller, mountain town, home to the U.S. Air Force Academy.


Within a day of listing his Raposa Court home, Hicks had two offers in hand above the \$998,000 asking price.

After an open house, Hicks agreed to a \$1.25 million cash offer. Another interested buyer agreed to purchase one of Hick's rentals for \$900,000, even though Hicks didn't list it.

In the next two months, several tenant friends will fill up moving containers with their personal possessions and several motorcycles. Hicks expects at least six tenants and another Bay Area friend to eventually make the move. He will bring his family to Colorado this summer.

Hicks and his wife plan to buy or build a large home for about half the cost of what they sold their San Jose house. He expects to buy another six homes in good neighborhoods.

Silicon Valley will be in the rear view mirror, he said. "I even bought cemetery plots," Hicks said. "But I'm selling them."

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