From: Alameda Native History Project

To: CityCouncil-List; City Clerk

Subject:[EXTERNAL] Agenda Item 2023-3428Date:Wednesday, October 25, 2023 5:03:51 PMAttachments:2023-10-25 letter re CIP to Council.pdf

Please find the attached letter to Alameda City Council regarding 10/25/2023 City Council Meeting Agenda Item 2023-3428

Alameda Native History Project

2201 Shoreline Drive #6334 Alameda, California 94501 https://AlamedaNativeHistoryProject.com

(510) 747-8423

info@alamedanativehistoryproject.com

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Gabriel Duncan 2201 Shoreline Drive #6334 Alameda, California 94501 (510) 747-8423

October 25, 2023

Alameda City Council 2263 Santa Clara Avenue Alameda, California 94501

Re: 10/25/2023 City Council Meeting, Agenda Item 2023-3428

Dear Council Members,

I write to you as a renter and small business owner in the City of Alameda. I have been a lifelong resident of Alameda; my current mailing address and phone number are noted above.

This letter is in regard to Agenda Item #2023-3428, changes to the Capital Improvement Plan.

Please take these points into consideration when deciding how to proceed:

- 1. The amount of rental units on a property should not influence the amount CIP pass-through allows to be passed to the renters in the form of a rent increase.
 - (a) As someone who rents a room, and shares bathroom, shower, and laundry with renters in 7 other units, the idea of tying the amount of allowable pass-through to the amount of rental units seems capricious and arbitrary, and is unfair to renters specifically on my property who are at least 50% comprised of seniors and people living with disabilities.
 - (b) This is especially true because the people in my building would find themselves paying more per month simply because they have less neighbors than larger apartment buildings. And this is unfair.
- 2. Capital improvements which improve the livelihood of tenants, the livability ("habitability") of the tenant-occupied portions of the building, and/or directly benefit tenants in a way which directly improves tenant dwellings should be the only form of improvements for which the costs should be passed through to those tenants directly benefited said improvements.
 - (a) Cosmetic improvements to a building should never qualify to have costs passed through to tenants.

- 3. The costs to bring out-dated buildings up to code should never be passed through to tenants in any case, because landlords and property owners have their own duty to maintain their premises in a safe, clean, and operable condition which meets the requirements set by local rules, laws, codes, and regulations.
 - (a) Tenants should not bear the burden of paying for improvements and updates to buildings which they have no interest in or ownership of; especially when landlords would otherwise bear the burden of paying tenant costs for relocation during building renewals, renovations, and improvements had landlord responsibly adhered to sensible and required upkeep and maintenance of the buildings tenants occupy.
- 4. Only Landlords/Property Owners should bear the costs of ADA improvements/upgrades to buildings. It's unfair to make disabled renters pay to accommodate themselves (and probably illegal.)
 - (a) Stairway and railing improvements undoubtedly count as ADA improvements/upgrades; tenants should never under any circumstances have to pay for ADA components of the building to be installed or upgraded to code because these costs are fundamentally the sole responsibility of property owners.
 - (b) Fire suppression improvements, and improvements for the health and safety of residents, likewise are the sole responsibility of property owners and building upgrade or improvements for the sack of safety of tenants should never be passed through to tenants because it's not a tenant's responsibility to install/upgrade safety measures or bring the building up to code (fire or otherwise) because habitability is fundamentally the responsibility of the property owner.
 - (c) If the property owner decides to install water saving, energy saving, devices on the premises were tenants do not pay for utilities—those costs should not be passed-through to tenants because tenants receive no benefit from that change.
 - (d) If only part of the building has an HVAC system installed, meaning that not all tenants benefit from the new HVAC system—none of the cost of that installation should be passed through to tenants.
- 5. The cost threshold per unit should only be applied when all units benefit from qualifying improvements.
- 6. CIP increase should be treated as a Rent Increase, because that pass-through cost increases the total rent tenants must pay each month. Any other interpretation is unfair for tenants, and

contrary to reality.

It is for these reasons I ask the Council to take a serious pause to consider the effects of their

decision on renters, to delay calling a vote on this agenda item. Please do not be afraid of being

confident you have studied the effects of changes to the Capital Improvement Plan. Please be

absolutely sure you are making the right decision.

Council Members: please avoid taking any action that could result in making the homeless

crisis worse. Please take action to increase the homefulness of the citizens of Alameda, and our region

of the San Francisco Bay Area. Please stop contributing to the rising costs of homefulness. It is

contrary to public policy to continue to price people out of the housing market, and to make those

vacant/open housing units unavailable because of prohibitive costs.

On behalf of the folks who can't be here because they can't afford to miss work, or need to

watch their stuff, or because they aren't allowed in public spaces because society finds their existence

objectionable: please contribute to the solution of homelessness by continuing to develop ways to make

housing affordable for everyone.

And on behalf of renters: the enforcement of the City's Rent Control Ordinance needs to be

taken more seriously, and the prosecution of landlords needs to be a real and practiced consequence to

landlord malfeasance and misconduct. Otherwise, what was point of voting these ordinances into

existence? Laws alone do not enforce themselves; and landlords who don't care about existing laws

will not care to abide by any new laws created if they already have no respect for the City or the

Council which makes its laws.

Respectfully Submitted,

<u>/s/</u>
Gabriel Duncan 10/25/2023

Gabriel Duncan Letter to City Council; 10/25/2023; Agenda Item 2023-3428

Page 3 of 3

Subject: Fwd: [EXTERNAL] tonight"s vote on the CIP

Date: Wednesday, October 25, 2023 4:38:41 PM

----- Forwarded message -----

From: Laura Thomas < ciaolauretta@comcast.net>

Date: Oct 25, 2023 5:04 PM

Subject: [EXTERNAL] tonight's vote on the CIP To: Trish Spencer <tspencer@alamedaca.gov>

Cc:

Dear Trish,

I hope you will vote against a Capital Improvement plan in the rent program and continue to stand up for what is best for Alamedans.

At some point I hope you can see "PUSH," the film about the global financialization and commodification of housing which the Blackstone corporation represents here in Alameda. It's pretty alarming.

For that reason, I want to point out that the initial justification for doing a CIP, as I recall, was to make sure local landlords were not harmed by the rent ordinance. As it stands, the city must really make a very clear distinction between small mom-and-pop landlords, who are not global investors or imitating them on a small scale AND the groups that see the housing market as an investment, pure and simple. They are working on a level we have never seen before, forcing up the price of housing with no regard to the previous law of supply and demand.

Therefore, be careful with the notion that a "fair return" policy can't be manipulated by major and smaller rental property investors to do basically the same thing: Drive Alamedans out of the city.

We are seeing the result of the last 10 years of rising rents: a loss of the down-toearth middle class and working class town we once knew, a loss of local businesses and a loss of workers to carry out all the tasks that we need accomplished.

The future of affordable housing in the state will be to de-commodify it so we no longer rely on developers or low-income tax credit financing. If we can build publicly financed housing, we can build permanently 100 percent affordable housing.

I hope you will join us in that fight.

Sincerely,

Laura Thomas

Subject: Fwd: [EXTERNAL] **Urge a NO vote on CIP**

Date: Wednesday, October 25, 2023 4:38:24 PM

----- Forwarded message -----

From: Austin Tam <apidisabilities@gmail.com>

Date: Oct 25, 2023 5:45 PM

Subject: [EXTERNAL] **Urge a NO vote on CIP**

To: Marilyn Ezzy Ashcraft <MEzzyAshcraft@alamedaca.gov>,Trish Spencer <tspencer@alamedaca.gov>,Malia Vella <MVella@alamedaca.gov>,Tony Daysog

<TDaysog@alamedaca.gov>,Tracy Jensen <tjensen@alamedaca.gov>

Cc:

Dear Alameda Mayor, and City Council

I urge you to vote NO on CIP tonight.

Thank you,

Austin Tam

Subject: Fwd: [EXTERNAL] CIP

Date: Wednesday, October 25, 2023 4:37:39 PM

----- Forwarded message -----

From: michele pryor <micheledp78@gmail.com>

Date: Oct 25, 2023 7:12 PM Subject: [EXTERNAL] CIP

To: Trish Spencer <tspencer@alamedaca.gov>

Cc:

Please vote No on CIP!

Regards, M Pryor

From: Anned Anned To: CityCouncil-List

Subject: [EXTERNAL] NO to cis payments

Date: Wednesday, October 25, 2023 3:41:05 PM

No to cis increases

Protect renters!!

Renters can NOT afford owners' increases in addition to stated rental understanding. Owners had money to buy; renters do not!

STOP...

VOTER AND RENTER IN ALAMEDA FOR 20 YEARS.

From: <u>Liz Williams</u>
To: <u>amullins00</u>

Cc: Malia Vella; Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Lara Weisiger

Subject: [EXTERNAL] Re: Item 2A: Please Eliminate CIP

Date: Wednesday, October 25, 2023 3:31:42 PM

Dear Mayor and Councilmembers:

I agree with everything Ashley wrote. Please eliminate the CIP.

Sincerely,

Liz Williams Collaboration Zone 510.484.3079

---- On Wed, 25 Oct 2023 14:09:34 -0700 Ashley Mullins<amullins00@gmail.com> wrote --

Dear Mayor & Councilmembers,

I urge you to vote to eliminate Alameda's capital improvement pass through program. In a region that is already suffering a catastrophic housing emergency, we need stronger protections that ensure secure housing for all tenants.

The rent ordinance already provides landlords with a process for ensuring a fair rate of return. The CIP is an additional avenue for passing through costs to tenants that is unnecessary and permits extortionate rent increases that tenants should not bear.

All business owners have expenses associated with running a business, and the notion that landlords are entitled to eliminate these costs is absurd. Renters have no equity in these properties, yet the current CIP allows all costs to be passed through to tenants while landlords benefit from increased property value, increased revenue on tenant turnover (vacancy decontrol), and paths for offsetting costs by reducing tax burden.

The existing CIP is a flawed policy that is inconsistent with Alameda's commitment to equitable access to secure housing. I urge you to eliminate Alameda's capital improvement program.

Thank you, Ashley Mullins Alameda resident From: <u>Laura Woodard</u>
To: <u>CityCouncil-List</u>

Subject: [EXTERNAL] Please end CIP or continue the moratorium

Date: Wednesday, October 25, 2023 2:16:46 PM

Dear Mayor and Councilmembers,

Thank you for recognizing the problems with CIP and enacting a moratorium.

Please end CIP altogether or continue the moratorium. I have the following rationale, concerns and additional asks:

- After tenants comment on given proposals, the proposals change. Tenants have new questions and are not prepared to respond to what is at stake in the latest iteration of the Rent Program presentation.
- The staff's presentation proposes two options that would both keep CIP in place. This past Spring, Council discussed ending CIP altogether. Why is this no longer a proposed option?
- What does it mean to add a CIP section to the Fair Return application, and why would the list of eligible improvements need to expand? The current CIP policy already unfairly allows landlords to bill tenants to meet their legal requirement to provide safe and habitable homes.
- Any proposal that penalizes tenants living on smaller properties lacks logic and is unjust. Small property tenants have disadvantages already. Habitability is often ignored* and there's less opportunity to join with neighbors to bring the public's attention to the problem the way South Shore tenants have been able to. CIP is another way to make habitability the tenant's problem.

*Code Enforcement is limited by a need for the right kind of evidence to prevent legal action by landlords. For example, they can't do anything about repeated leaks in my home from an outdated roof unless I have them inspect when the leak is in progress. Photos and video proof aren't sufficient. If a tenant wants to file a complaint about water intrusion, they must schedule and complete an inspection with Code Enforcement before asking the landlord to fix a leak or clean up toxic mold.

Thank you for considering this appeal when making your decision.

Sincerely, Laura Woodard From: Ashley Mullins

To: <u>Malia Vella</u>; <u>Marilyn Ezzy Ashcraft</u>; <u>Tony Daysog</u>; <u>Trish Spencer</u>; <u>Tracy Jensen</u>

Cc: <u>Lara Weisiger</u>

Subject: [EXTERNAL] Item 2A: Please Eliminate CIP

Date: Wednesday, October 25, 2023 2:09:57 PM

Dear Mayor & Councilmembers,

I urge you to vote to eliminate Alameda's capital improvement pass through program. In a region that is already suffering a catastrophic housing emergency, we need stronger protections that ensure secure housing for all tenants.

The rent ordinance already provides landlords with a process for ensuring a fair rate of return. The CIP is an additional avenue for passing through costs to tenants that is unnecessary and permits extortionate rent increases that tenants should not bear.

All business owners have expenses associated with running a business, and the notion that landlords are entitled to eliminate these costs is absurd. Renters have no equity in these properties, yet the current CIP allows all costs to be passed through to tenants while landlords benefit from increased property value, increased revenue on tenant turnover (vacancy decontrol), and paths for offsetting costs by reducing tax burden.

The existing CIP is a flawed policy that is inconsistent with Alameda's commitment to equitable access to secure housing. I urge you to eliminate Alameda's capital improvement program.

Thank you, Ashley Mullins Alameda resident From: <u>Heather Polley</u>

To: Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk

Subject: [EXTERNAL] No To CIP, Yes to Fair Return

Date: Wednesday, October 25, 2023 11:04:09 AM

Dear Alameda Council Members,

I write to urge you to reject any form of Capital Improvement policies for the city of Alameda. We already have Fair Return in place, which is a fair balance for both renters and landlords. Capital Improvement passthroughs will be a disaster for working families who are already struggling under the burden of skyrocketing market rents, student loan payments, and increasing cost of living across the board.

Renters in Alameda are under enormous financial pressure. Capital Improvements will make this pressure even worse at a time when we need city policies to help us to stay in our homes and in Alameda.

Our region has some of the highest rents in the country, even with rent control, and market rents are applied every time a unit turns over. What facts or research can demonstrate that housing will fall into disrepair unless tenants foot the bill for needed improvements, on top of paying sky-high rents?

On a personal note, my partner and I are in the midst of moving to a smaller, less expensive rental in Alameda, because the cost of living is forcing us to downsize. Regular, working people are being displaced from Alameda everyday. Please help Alameda renters by saying NO to CIP in any form. CIP in any form is a threat to rent control and threatens to displace tenants city-wide.

Sincerely, Heather Polley
 From:
 Trish Spencer

 To:
 Lara Weisiger

 Subject:
 Fw: [EXTERNAL]

Date: Wednesday, October 25, 2023 6:16:52 AM

From: Maia Wiitala <maia.wiitala@gmail.com> Sent: Tuesday, October 24, 2023 9:08:04 PM

To: Trish Spencer **Subject:** [EXTERNAL]

Trish,

I am an Alameda resident and am writing to urge you to vote NO, against CIP! I also want to encourage you to vote to table "fair return" because of how loopholes could be drafted to include CIP policies, into language around fair return.

Please,know, I'm actually a fan of real estate as an investment and I do believe there's a way to ethically treat tenants as well as secure, continuous, cash flow.

But before making a transaction on real estate, as you may already know, it's up to the investors and the purchasers of the property to make sure that all the criteria is met to ensure enough cash flow can be put aside monthly to cover maintenance costs. Tenants should not be held accountable for the financial irresponsibility and poor stewardship of monthly income by the landlords. If they can't afford the cost of maintenance, then they should invest in something else. Tenants are already themselves precious assets to investors that should be treated as such. It's typical for corporate level investors to want government to ensure that their investments make them money, this is not government's job, government is to be of service the people as you very well are already aware. Majority of the people are tenants or small landlords, and we all are in the same boat! Thank you for voting NO on CIP and to table fair return.

From: Andrew Santos

To: Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk

Subject: [EXTERNAL] Opposition to CIP policies **Date:** Tuesday, October 24, 2023 6:35:18 PM

Dear Alameda City Council members,

I am a renter living in Alameda and a member of Buena Vista United Methodist Church.

I want to express my opposition to the Capital Improvement Plan policy. I understand that maintaining properties can be difficult for landlords, but passing it on to tenants in this way seems to offer an opportunity to take advantage of tenants. I believe my landlord would not use the policy unjustly, but they may and others likely would, especially if there were prejudices involved. Therefore I support a Fair Return policy. Please consider this during the Council Meeting on Wednesday.

Thank you all for the hard work you do for the city.

Sincerely, Andrew From: <u>Kimberly Tyda</u>

To: Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk

 Subject:
 [EXTERNAL] Special City Council Meeting on CIP

 Date:
 Tuesday, October 24, 2023 12:56:10 PM

 Attachments:
 Capital Improvement Letter Kimberly Tyda.docx

Dear Mayor and Council Members,

I ask that the council vote in favor of Fair Return (Option B) and vote no on the Revised Capital Improvement Program (Option A). The proposed CIP plan will make housing more expensive for already cost-burdened tenants, undermining the stabilizing impact of Alameda's rent control laws. The proposed CIP plan will make housing more expensive for already cost-burdened tenants, undermining the stabilizing impact of Alameda's rent control laws.

Please see my attached letter.

Thank you,

Kimberly S Tyda, Alameda Tenant and Advocate

Dear Mayor and Council Members,

I request that the mayor and council vote in favor of Fair Return (Option B) and vote no on the Revised Capital Improvement Program (Option A). The proposed CIP plan will make housing more expensive for already cost-burdened tenants, undermining the stabilizing impact of Alameda's rent control laws.

I had hoped that with the feedback provided by myself and other renters and renter advocates, that the city would consider the needs of Alameda's tenants in the revisions to the program. Unfortunately, the Rent Program's proposed policy falls short in meeting those needs.

The proposed changes lower the minimum threshold for qualifying improvements, allow tenants' monthly payments to increase at a rate higher than what is currently permitted by the city's rent control laws, and puts Alameda's renters in the position of having to pay for pricey repairs and property improvements that should be covered by landlords.

The revisions would create protections against CIP passthroughs for some Alameda tenants and not others; requiring tenants who live in buildings with less than 25 units to cover some or all of the cost of the work. How is this fair to tenants residing in smaller size properties? They are not any better able to absorb large increases in their rents than tenants living in larger properties.

According to the City's 2021 Report on Housing Affordability and Displacement, the cost of housing has increased much faster than resident incomes in the City of Alameda, which makes housing unaffordable to low- and moderate-income renters. The report also concludes that "households with one to two lower wage workers cannot afford typical market rents or home prices in the City." ¹

These conclusions are supported by data from the National Low Income Housing Coalition.² According to their analyses, the cost of renting an average apartment in Alameda is already out of reach for many residents. In order to spend no more than 30% of income on rent, tenants in Alameda's 94501 zip code need an annual income of at least \$76,000 to afford a typical, market-rate 1 bedroom apartment. To afford a market-rate 2-bedroom apartment, tenants need an income of at least \$93,000.

Landlords should cover their own investments. Many tenants live in buildings that have not been properly maintained - buildings that have not been painted in 20 years, old pipes that leak, stairs and railings that are falling apart. In some properties, these situations have been present for years, gradually growing worse and more expensive to repair over time. Why should tenants have to pay for upgrades and repairs to things that have sat it state of disrepair for a decade or more?

Thank you,

Kimberly S. Tyda, Alameda Tenant and Advocate

¹ https://www.alamedaca.gov/files/assets/public/v/3/departments/alameda/econ-dev-amp-comm-services/city-of-alameda-housing-affordability-and-displacement-report.pdf

² https://nlihc.org/oor

From: <u>Tamika</u>

To: Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella

Cc: <u>City Attorney; City Clerk</u>

Subject: [EXTERNAL] Eliminate CIP for Alameda this Wednesday

Date: Tuesday, October 24, 2023 8:01:33 AM

Dear City Council Members,

I hope you are doing well. As we approach Wednesday's meeting to consider changes to the Capital Improvement Plan, I wanted to write to you all to urge you to eliminate the CIP for all of Alameda.

My name is Tamika and I am a renter out of South Shore Apartments. We already live in one of the areas with the highest rents in the country, and policies like the CIP give landlords loopholes around rent control to make this problem even worse. Alameda does not need additional ways for landlords to increase already staggering rents. Instead, I ask you to help Alameda take a stand and eliminate policies that can allow major corporations like the ones that own my complex, from changing the face of our communities and making Alameda inaccessible to those that live here.

When we enter rental engagements with a landlord, we expect safe housing and building upkeep in exchange for monthly rent. Each year rent increases are guaranteed to landlords in addition to the already very high rents. We should be holding our landlords accountable to use that income to maintain their properties and not incentivising them to seek reimbursements through rent increases for upkeep they should have done as part of the landlord's responsibility.

Thank you for your time and looking forward to Wednesday, Tamika

From: Ashley Gregory

To: Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk

Subject: [EXTERNAL] No to CIP, Yes to Fair Return Date: Monday, October 23, 2023 6:35:21 PM

Dear Mayor Ezzy Ashcraft, Vice Mayor Daysog, Councilmember Herrera Spencer, Councilmember Jensen, and Councilmember Vella,

In my experience, as a renter for all of my adult life, I have lived in fear. And for good reason. I have been intimidated and threatened for standing up for myself and my rights as a human being who must rent a dwelling in order to stay housed.

On the whole, landlords have disproportionately more institutionalized power than renters.

Thus, policies on every level of government need to compensate for this unequal distribution of power.

I urge the city to implement a means-tested CIP policy. Landlords should be required to prove their need for higher returns.

Renters are required to demonstrate their financial situation through credit checks and references. It's only fair that landlords are required to demonstrate their financial need before passing on additional costs to tenants in an area with some of the highest rents in the country.

For many, being able to afford housing is currently very precarious. The city must take very calculated steps to ensure the most vulnerable are protected.

Sincerely,

Ashley Gregory

From: <u>Tamika</u>

To: Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella

Cc: <u>City Attorney; City Clerk</u>

Subject: [EXTERNAL] Eliminate CIP for Alameda this Wednesday

Date: Tuesday, October 24, 2023 8:01:33 AM

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Thank you for your time and looking forward to Wednesday, Tamika

From: Ashley Gregory

To: Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk

Subject: [EXTERNAL] No to CIP, Yes to Fair Return Date: Monday, October 23, 2023 6:35:21 PM

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For many, being able to afford housing is currently very precarious. The city must take very calculated steps to ensure the most vulnerable are protected.

Sincerely,

Ashley Gregory

Subject: Fwd: [EXTERNAL] Opposition to Capital Improvement Policy

Date: Monday, October 23, 2023 12:14:10 PM

----- Forwarded message -----

From: Sophia DeWitt <sophia@ebho.org>

Date: Oct 20, 2023 3:12 PM

Subject: [EXTERNAL] Opposition to Capital Improvement Policy

To: Marilyn Ezzy Ashcraft Malia Vella

<MVella@alamedaca.gov>,Tony Daysog <TDaysog@alamedaca.gov>,Tracy Jensen

<tjensen@alamedaca.gov>,Trish Spencer <tspencer@alamedaca.gov>

Cc:

Dear Mayor Ashcraft and Alameda City Councilmembers:

As a resident of Alameda, and on behalf of East Bay Housing Organizations (EBHO), I write to oppose the Capital Improvement Policy (CIP) under consideration by Council at your special October 25th meeting.

The capital improvement plan under consideration would make it easier for landlords to pass the total capital improvement costs on to tenants, blowing a hole in rent control and resulting in more displacement of vulnerable renters. Please preserve housing and community stability in Alameda and vote NO.

Fair Return is a reasonable alternative that is fair to both landlords and tenants.

Sincerely,
Rev. Sophia DeWitt
1580 Buena Vista Avenue, #A
Senior Director of Programs
EAST BAY HOUSING ORGANIZATIONS (EBHO)
510-663-3830 ext. 313 | sophia@ebho.org
538 Ninth Street, Suite 200 | Oakland, CA 94607

I will be on sabbatical and away from EBHO from October 23-January 1, 2024.

Join us or renew your 2024 membership in time for our <u>Annual Membership Meeting and Celebration</u> on Nov 8th! Join us in person at Nido's or online!

[&]quot;Remember who you are and what you represent."-- Mills College motto

[&]quot;Human progress is neither automatic nor inevitable... Every step toward the goal of justice requires sacrifice, suffering, and struggle, the tireless exertions and passionate concern of dedicated individuals." Rev. Dr. Martin Luther King, Jr.

From: <u>diane appelbaum</u>

To: Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella; City Clerk

Subject: [EXTERNAL] Oct 25 meeting on capital improvements

Date: Sunday, October 22, 2023 8:53:57 PM

Dear Mayor Ezzy-Ashcroft and Councilmembers,

I am writing as part of the South Shore Tenants Association (SSTA). As you know, we have been strongly lobbying to eliminate CIP entirely, realizing that landlords always have the option of Fair Return based on costs of operations and net operating income. We've read Alameda's current Fair Return process, in a document by Michael Roush on the Rent Program website, which states that "Costs of Operation does not include "Debt Service," depreciation or "capital Improvements" However, several bullets in Mr. Chapin's presentation to tenants last Wednesday were confusing:

- •Landlords of any size property would continue to be eligible to use the existing Fair Return petition process
- •Enhanced Fair Return petition application to include section on Capital Improvements and comprehensive amortization schedules (??)

These two bullet points actually contradict each other, since "existing process" means unchanged, but including a new section would mean changing it. More importantly, what exactly does "enhanced" really mean? Can the Rent Program just transfer to Fair Return the full spectrum of capital improvements that they were about to approve for South Shore before the moratorium? If so, could the corporate owners of South Shore demonstrate they are not getting a fair return if they throw in the costs of their \$20,000,000 "capital improvements"?

When several of us tried to clarify these points, the response was unclear. This is alarming and has implications for South Shore tenants and possibly all tenants because Fair Return has no tenant protection. We now feel the need to extend the moratorium until there can be more information and investigation with regards to how the Fair Return process relates to either Option A or Option B in the CIP proposals presented by the Rent Program.

In the May 11 City Council meeting it was clear that Council wanted a solution to the CIP problem that was fair and made sense. The urgency was that South Shore tenants were facing a huge CIP pass-through. Vice Mayor Daysog said, "The purpose of the moratorium is to figure out how to improve the CIP rules that we have in place so we don't have another South Shore Apartment complex situation." The Mayor cautioned that "We should not shy away from something for fear of what might happen when we have the opportunity to do something now to avoid a harm that's in front of us." Yet if unlimited capital improvements are inserted into an

"enhanced" Fair Return policy, this would negate any tenant protections and creates perhaps an even larger problem than CIP. This could not be what City Council intended when they passed the moratorium.

Choosing either Option A and Option B will affect Fair Return

Alameda's current Fair Return process has a defined criteria and process for calculating net operating expenses, which does not include capital improvements. And why should it? Wouldn't including capital improvements in a Fair return petition be same as imposing CIP – only without tenant protection?

California cities vary greatly in both their CIP and Fair Return policies. Many cities that have a Capital Improvement policy, do not include CIP in their Fair Return process (Alameda, Hayward and others).

Some cities that don't have a separate CIP policy include limited capital improvements in their Fair Return process – Richmond includes capital improvements that "maintain compliance with applicable local codes affection health and safety." Sacramento's qualifying capital improvements in Fair Return include: "(a) necessary for health and safety reasons to meet Building Code requirements and are not routine repair and maintenance improvements; or (b) to address substantial deterioration of the rental unit, other than from normal wear and tear, which was not caused by a lack of routine repair and maintenance. Substantial repairs due to damage caused by uninsured disaster or vandalism can be considered." In these cities, specific allowable capital improvements are spelled out and also amortized individually, depending on how long each is expected to last. Santa Monica has this restriction: "Units which were rented at market value within the five years preceding the final increase decision are not eligible for Capital Improvement increases."

There doesn't seem to be any law or even standard regarding specific kinds or quantity of capital improvements that can qualify in a Fair Return process. This gives Alameda the opportunity to be creative and innovative to determine the most equitable plan moving forward. This would need to happen before a final decision is made on either Option A or B, since it would have implications for both. It would mean extending the moratorium.

OPTION A (If Alameda continues to have a CIP policy)

Implications: With Option A as proposed by the Rent Program, landlords with under 25 units could submit a CIP application to either receive a 100%, 75% or 50% pass through, depending on their size. However, properties over 25 units would <u>not</u> be able to apply for CIP at all.

However if Fair Return should also include capital improvements, and if it is the only other way for 25+ properties to receive additional income from tenants, this could be catastrophic for South Shore tenants. Corporate

owners Blackstone/Rockpoint already have documented their expenses for their \$24M of capital expenses. With their team of attorneys and accountants, it is likely that they would take the opportunity to file a Fair Return Petition. Is it possible that these multi-billion dollar owners of South Shore, who are already charging above-market rents to tenants, could show that they are not getting a fair return? The thought is preposterous and ludicrous.

Suggestions: Continue the existing Fair Return policy for Alameda which **prohibits** capital improvement expenses from being included in a Fair Return Petition. This would be in keeping with the Rent Program's Option A intent in excluding properties over 25 (South Shore in particular) from imposing the pass through for capital improvements.

OPTION B (Eliminate CIP for all landlords)

Implications: If the city decides to eliminate CIP altogether, all landlords would be in the same boat, regardless of their size, with only the option of a Fair Return petition to raise the rent.

Suggestions:

- 1) Leave the Fair Return process as is: no inclusion of capital improvements. OR
- 2) Determine whether or not there are some valid and needed capital expenses that should be included in the Fair Return petition, as well as some guidelines and perameters for inclusion. Obtain input from stakeholders in this process.

The position of the South Shore Tenants Association is still to eliminate CIP entirely, for all of Alameda, for many reasons. For one thing, in the past 7 years, there have only been 14 CIP applications and 1 approval. During the past year dealing with the South Shore CIP we all have learned a lot. We have seen how long overdue maintenance work and sprucing up curb appeal can be labeled 'capital improvements,' thus inflating expenses to astronomical levels. We know that although improvements are now supposed to be amortized over 27 years, many have deteriorated in only one year. Many tenants have testified about the poor quality work or the many habitability issues which were not even addressed with CIP. Perhaps the most valuable lesson we've learned, as stakeholders, is an awakening to the realities of the housing market and our commitment to protect Alameda from corporate greed.

Rockpoint and Blackstone are billion dollar equity companies who are buying up properties all over California and the world, raising rents and pricing people out of their homes. In Alameda, properties with over 25 units account for 35% of rental units. We don't want to see corporate landlords continue taking advantage of run-down properties (Summer House, South Shore) and conduct passive evictions by sprucing them up

and charging tenants large pass-throughs. Nor do we think sandwiching a lot of CIP expenses into a Fair Return policy and raising rents is any better. Both merely present an open invitation for big landlords to take advantage of our city and turn it into something none of us wants to see. Now is the opportunity for Alameda to act with caution, wisdom and full transparency and set an example for the rest of California.

From: Ryan A

To: Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella; City Clerk; Rent Program

Subject: [EXTERNAL]

Date: Sunday, October 22, 2023 7:08:37 PM

Dear City Leaders,

While I am overall in support of the elimination of CIP, I do hope that the city develops truly fair, equitable and comprehensive policies that will actually protect renters from unaffordable, unnecessary and unjust rent increases. So if CIP is eliminated, please continue to review housing policies like fair return to ensure that costs cannot be passed down again to tenants in other ways.

Annual allowable rent increases should take into consideration various issues and factors as well like:

- inflation
- cost of living
- consumer price index increases
- banking
- increased price in household services like gas, electric and other utilities
- uninsured repair costs
- fair return

I encourage city officials and leaders to continue co-designing policies with relevant stakeholders to ensure the city moves forward, together. Only then will the city achieve the priorities it's drafted in the most recent strategic plan like "...equitable and inclusive governance" and "house all Alamedans..."

From: Cheryl Kettell

To: Marilyn Ezzy Ashcraft; Tracy Jensen; tspencer@alamedca.gov; Malia Vella; City Clerk

Cc: metrodesk@sfchronicle.com; editor@alamedasun.com; newstips@fox.com; newsdesk@kpix.com; Alameda

Renters Coalition

Subject: [EXTERNAL] Alameda renters must be protected from CIP

Date: Sunday, October 22, 2023 11:16:45 AM

Importance: High

Honorable Mayor, Council Members:

Why are T. Daysog and other Council members so intent on undermining rent control in our city? Rental property owners have always had the option of getting a bank loan for necessary repairs and improvements. After all, it is THEIR property and their property value will subsequently increase; and, they will continue to receive rent, impose rent increases, and have the option of taking tax deductions for property improvements. In the meantime, low-income, blameless renters may be forced out of their housing during these severely fraught times. It makes NO sense for the Council to crow about new low-income housing in our city while weaponizing evictions in this manner.

I've lived in Alameda since 1991 and given the other challenges we face, facilitating the ripoff renters should not be on the list of Council work, ever.

At the very least, add a tenant financial plea clause to any CIP ordinance you pass. Will you show at least that much compassion?

https://sf.gov/tenant-financial-hardship-applications

Tenant Financial Hardship Applications | San Francisco

Request deferral of a rent increase or passthrough on the grounds of financial hardship.

st.gov

Thank you for your attention to this urgent matter. Please do the right thing.

Sincerely,

Cheryl Kettell

From: <u>Ismael Matos</u>

To: Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella; City Clerk

Subject: [EXTERNAL] CIP Policies

Date: Sunday, October 22, 2023 6:16:27 AM

Dear Mayor Ezzy-Ashcraft and members of the City Council,

As a resident of South Shore Apartments, I've tried to keep up with the capital improvement dispute over the last few months. I have been in favor of eliminating CIP for all of Alameda, for obvious reasons, and selfishly because as a South Shore tenant, I'm facing an unfair rent increase if the landlord is allowed to charge me for capital improvements — many of which, as I think you know, were unwarranted. I understand that the Rent Program's Option A is to revise the current policy, with a tiered system so that properties over 25 units would not qualify for CIP. Option B is to eliminate CIP altogether. With either option, it was looking like the South Shore CIP was no longer an issue, and we would not be faced with a rent increase due to capital improvements. This was a strange turnaround, but good news. However, now I am not so sure. I would really like to know what prompted this change in attitude - because in the May City Council meeting, some Council members were afraid of litigation, and the Rent Program was clear that they did not want South Shore included in the moratorium, and wanted to proceed with imposing the CIP onto tenants.

In the Rent Program presentation to tenants the other night I heard something else that was confusing and I want to make sure eliminating CIP for South Shore will really solve anything. I am aware that all landlords always have the option to file a Fair Return petition, which has to do with calculating net operating income-expenses, sort of a means test, to see if a landlord is losing income. However, in the Rent Program presentation, they had a slide referring to 'enhancing' the Fair Return policy for Alameda to include capital improvements. What does that mean? If landlords can include all their capital improvements as costs/expenses (in the case of South Shore, \$24M), then isn't it possible they could show that they are not getting a 'fair return?' If all capital expenses are included in a Fair Return petition, then what's the point of eliminating CIP for South Shore Apartments? It would still leave South Shore tenants vulnerable to their corporate landlords, who could file a Fair Return petition.

I am still wondering why the Rent Program decided to disqualify properties of 25+ from applying for CIP. Why didn't they just fit 25+ into their tiered system? If properties between 16-20 units can charge tenants 50% of their capital improvement expenses, why not mandate that properties over 25 units can charge tenants a pass-through at 25% or 30% of their capital improvements? Doing the math by the formula they give, this would be:

25% of \$20M = \$5,000,000 5,000,000 divided by 450 units = \$11,111 11,111 divided by 180 months = \$61.72 per month, per unit

I am not advocating this (I've been advocating eliminating CIP altogether). But if the City Council does decide to keep the CIP policy, there needs to be more attention and research to this. If the tiered system were extended downward to 25% or 30% for larger properties, the result could be a more equitable rent increase than whatever Fair Return could be. Hopefully, the Rent Program has thought this true, since I know they, and the City Council were looking for an equitable solution for South Shore tenants. Let's please don't trade one dangerous policy for another!

Thank you for addressing this when you make your final decisions.

Ismael Matos Soutshore Apartments Resident From: Eric Barker

To: CityCouncil-List

Cc: Margaret Spilman

Subject: [EXTERNAL] Please vote NO on CIP Policy Date: Saturday, October 21, 2023 3:37:17 PM

Hello Mayor Ashcraft and Members of the City Council,

We very much appreciate the effort that you and your staff have put into the proposed Capital Improvement Pass through policy. However, upon reviewing the proposed policy, we are concerned that there are still not enough protections for tenants.

We were tenants at the Del Coronado Apartments in the West End from 2014 until July of this year. For about nine years, we saw a consistent pattern by the building's owners of investing in "capital improvements" while ignoring necessary repairs and basic maintenance. Our unit and several others were flooded with hazardous waste water multiple times throughout our tenancy due to a faulty (and I believe legally non compliant) sewer main. Our unit had multiple tested and confirmed occurrences of mold in the water damaged floor, walls, and carpet, yet the owners and the management company ignored our frequent requests for basic upkeep. For example, the waste water soiled carpet was not replaced and we had to provide our own fan to dry it out, and found out later that the walls in between units were rotted when the next flood occured. Meanwhile, the owners invested in "new" washers and dryers, superficial landscaping, needless physical parking permits, and a bizarre online homegoods store selling things like pillows with "home" printed on them. All of these cosmetic "improvements" were made while ignoring basic maintenance and upkeep and continuing to raise rents rents the maximum allowable amount.

Situations like this are one of the big reasons why the Alameda Renters Coalition (ARC) opposes any CIP policy and instead favors the Fair Return policy process, which is available to any landlord by law.

We have been fortunate enough to purchase a home here in Alameda and leave our difficult rental situation behind. Someday we may choose to rent out our own property and become landlords ourselves. However, we will never forget our experiences as renters in Alameda and they will always guide what we believe and how we vote regarding housing policy.

It is clear that landlords, especially those funded by corporate interests, already have more than enough power in this city and tenants have far too little. For these reasons, we must stand with the ARC and urge that you vote No on any CIP policy.

Thank you for all the hard work you do for our city!

Sincerely, Eric Barker and Margaret Spilman From: Karen MIller
To: Lara Weisiger

Subject: [EXTERNAL] CIP meeting October 25th

Date: Friday, October 20, 2023 7:01:35 AM

Hi Lara,

Can you please forward this to the Mayor and Council? Thanks.

Dear Mayor and Council members,

Unfortunately I will not be available to attend the October 25th meeting regarding the CIP. There have been new insurance rules that have just come up and will be effective November 1st. Currently no home can be insured if it has knob and tube wiring which is present in many older homes in Alameda. Beginning November 1st, there are some carriers and I'm sure others will follow, that will not insure a home that has galvanized piping. Any home that is 30+ years will require a water shut off mechanism that requires an electrical hookup. This will apply to all new policies and the insurance companies will be doing audits of existing policies to make sure that they are in compliance. This will apply to all of you as well if you have these conditions in your homes. I know that the renters want to get rid of the CIP altogether but the rules and regulations keep changing and these repairs are going to be costly and are mandated. Getting rid of knob and tube, requires a whole house rewiring. The mandate regarding galvanized pipes require that every bit of galvanized be removed. We have gotten quotes from plumbers from \$1K-\$5K on the water shut off depending on if there is an electrical source nearby. Please consider the effect of these additional costs into your decision. Thank you.

Regards,

Karen Miller



Virus-free.www.avast.com

From: Eric Kozak

To: Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk

Subject: [EXTERNAL] Citizen feedback regarding 10/25 special council meeting

Date: Thursday, October 19, 2023 2:38:15 PM

Dear Alameda representatives,

I attended the Rent Board informational session last night and I would like to submit my feedback in advance of the presentation for your consideration in advance.

I continue to support the consideration Mayor Ashcroft as proposed the night the moratorium was enacted; the city should abolish the CIP completely. It's served no one to date. Lowering the cost threshold of applications and allowing smaller rental complexes to continue with a 100% pass-through, is only going to create more strain on renters, enabling landlords to defer repairs until they can be recouped in batches every 24 months as the CIP terms allow.

This is particularly important in high-costs of living regions to ensure economic diversity in our communities. There needs to be a way to enable our valuable citizens of less means to continue to live in the communities they serve. I am speaking of teachers, social workers, public health workers, and garbage collectors. These types critical community roles should not have to commute dozens of miles to serve their duty.

As a former property owner (not as a landlord), I knew that my property would require regular investment to keep its prime value. I planned for this as part of the investment strategy. Over 10 years we invested upwards of \$80K from our equity line in improvements and still netted a substantial profit upon the sale.

Why should a landlord have the means to recoup their necessary upkeep via their renters, while standard non-landlord property owners have to pay from their own pocket? A single family home is as likely to fall into disrepair as a rental property. If the city was concerned about this as a factor in keeping the CIP, they should be concerned about all property upkeep and create similar incentives to non-landlords.

Being a landlord is a business, and businesses have overhead to operate. Fixing a roof or plumbing are some of the liabilities you consider in an investment asset. This should not fall on renters. The trade-off for not having equity, while paying rents that are often higher than most mortgages is that you are *not responsible* for the general maintenance costs.

And it goes without saying that the Southshore Apartments CIP application should be included in this abolishment of the CIP.

Thank you.



From: <u>Steven Zegas</u>

To: Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk

Subject: [EXTERNAL] Re: CIP vs. FAIR RETURN Policy Date: Thursday, October 19, 2023 1:36:17 PM

As a renter of just under 20 years in Alameda, I urge each and all of you to support and adopt the FAIR RETURN Policy described and 4 reasonably justified, in the enclosed email. Thank you.

Best regards, Steven Zegas

----- Forwarded message -----

From: Alameda Renters Coalition <a learning alamedarenters coalition@gmail.com>

Date: Thu, Oct 19, 2023, 1:18 PM

Subject: Urgent Alert: Special Council Meeting on WED., 10/25/23 at 6:00 pm

To: < <u>oaklandz@usa.net</u>>



Urgent Action Alert!

DEMAND AN END TO OUT-OF-CONTROL CIP RENT INCREASES

Special Council Meeting on WED 10/25/23 at 6:00 pm (not 7:00)

The City of Alameda is planning to update the current Capital Improvement Plan (CIP) policy, which enables landlords to "pass through" the cost of property improvements to tenants, as a monthly payment in addition to rent. The tenant foots the bill.

This updated policy would offer some tenant protections, *BUT* it would be much easier for a landlord to qualify for a CIP. Landlords currently

have to meet a high cost threshold, set at roughly \$100,000 or more in expenditures. As now proposed, even small projects costing \$10,000 could be passed through to tenants. Ultimately, whether it's the current policy or the new one, the issue is the same: CIP in any form is a threat to rent control and threatens to displace tenants city-wide.

It's time for tenants to say "NO!" to CIP in any form!

The City states that a CIP policy will maintain rental housing while "protecting tenants", but it fails to explain: Why is a CIP policy necessary at all? Our region has some of the highest rents in the country, even with rent control, and market rents are applied every time a unit turns over. What facts or research can demonstrate that housing will fall into disrepair unless tenants foot the bill for needed improvements, on top of paying sky-high rents?

The City has an alternative available, in the form of "Fair Return". This policy requires the landlord to *demonstrate* a need for higher returns in order to maintain a property, to show an on-going loss in operating income. In other words, it's *means-testing* for landlords. *This policy* sets a fair balance, between housing security and housing maintenance.

It is imperative that the City Council take action to protect Alameda's renters – who make up half of all households in the city, and are generally among the lowest income and most vulnerable.

Please email the City Council (& City Clerk) and join ARC in telling them:

NO to CIP policies, and YES to Fair Return!

Fair Return is Fair to Renters!

You can follow the Wed 10/25/23 meeting (starting at 6:00 pm)

online at: https://www.alamedaca.gov/GOVERNMENT/Agendas-Minutes-

Announcements

or attend at: City Hall Council Chambers, 3rd Flr, 2263 Santa Clara

Please consider speaking at the Council Mtg. (in person or on zoom)

https://alamedaca-

gov.zoom.us/webinar/register/WN XQeXVLyRRdCwbgXDXeYPjA#/registration

(Speakers may be limited to two minutes each.)

City Council Email Addresses + City Clerk:

mezzyashcraft@alamedaca.gov; tdaysog@alamedaca.gov; tspencer@alamedaca.gov;

tjensen@alamedaca.gov; mvella@alamedaca.gov; clerk@alamedaca.gov

View this email in your browser







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Alameda Renters Coalition P.O. Box 6549 Alameda, CA 94501

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BUENA VISTA UNITED METHODIST CHURCH

Building Beloved Community

2311 BUENA VISTA AVE. + ALAMEDA, CA 94501 + 510.522.2688 + buenavistaumc@gmail.com

October 15, 2023

Mayor Ashcraft and Members of the City Council,

We very much appreciate your taking action to impose a moratorium on any applications for capital improvement pass throughs until a clear policy is brought to you for recommendation. We also appreciate the effort that staff has put into a proposed Capital Improvement Pass through policy. However, upon reviewing the proposed policy, we are concerned that there are still not enough protections for tenants upon whom these long term rent increases are being imposed without their consent. We support the position of the Alameda Renters Coalition (ARC) in opposing any CIP policy and instead using the Fair Return policy process, which is available to any landlord by law.

Following are some of the reasons why we support their position.

- 1) the proposed new CIP process allows three types of increases up to a total of 8% a year, which will be a serious burden to those on fixed incomes or low and moderate incomes. The new CIP could allow a total of 1) the annual rent increase based on the Consumer Price Index (CPI) and 2) any banked rent increase (previous allowed rent increase not yet passed on to tenants) and 3) the pass through of capital improvements amortized over 15 or more years. If the total of these three exceeds 8%, the rental staff may allow the landlord to amortize the CIP over a longer period of time to recoup his or her cost. For tenants who have no input in the type and cost of capital improvements, the added cost will be an additional burden for 15 or more years;
- 2) while the proposed CIP policy will have a tenant hardship consideration, there is no detail of how this will be determined. In a 24 unit complex, with tenants at different income levels, it is hard to imagine that staff will be able to review the situation of each unit. If the hardship is based on the tenants applying for a hardship waiver, history has shown that many tenants are not aware of the protections that may be available to them or may be afraid of retaliation from the landlord or manager;
- 3) tenants are very concerned that the proposed CIP policy does not limit how often a CIP policy can be imposed on tenants in an apartment complex. Landlords should always factor in maintenance and upkeep costs and ensuring that their properties meet safety and habitability requirements. This should be part of their normal cost of business and why they are allowed rent increases over time. The Fair Return policy allows for this increase;

4) tenants are very concerned that large corporations will continue to purchase smaller complexes as "mom and pop" landlords age or pass away and their heirs don't want to deal with rental properties. Not having a CIP policy in place may deter new purchasers of apartments (especially large corporate owners backed by investors) from thinking that they can buy these complexes at high prices and recoup their costs by making cosmetic improvements and pushing out long term tenants with cheaper rents. The new owners of the South Shore Apartments is an example of this, putting in expensive cosmetic improvements to attract new tenants at a higher rent while ignoring needed repairs to basic systems such as water leakage and mold, plumbing and electrical problems.

We ask that you give serious consideration to these concerns and not approve any CIP policy at this time.

Sincerely,

Rev. Myrna Bernadel-Huey,

Myna Faradither,

Pastor

Lynet**t**e Lee,

Chair, Buena Vista Community Institute

From: <u>Efrem Williams</u>

To: Marilyn Ezzy Ashcraft; Tony Daysog; Malia Vella; Tracy Jensen; tspencer@alamedca.gov

Cc: <u>Yibin Shen; Bill Chapin; City Clerk</u>

Subject: [EXTERNAL] South Shore Tenants Association

Date: Tuesday, October 17, 2023 5:15:35 PM

October 17, 2023

Greetings to all of you,

South Shore Tenants are convinced and stand firm with the below listed beliefs:

- A. Affordable Housing is A Human Right
- B. We stand against rental properties in Alameda and all cities Globally, from becoming victims of a Global housing Crisis that exists in a dysfunctional system due to unbridled capitalism.
- C. We stand against Big Private Real Estate Investment firms -Blackstone and many others who seek and purchase real estate properties at a low purchasing price then expect tenants to absorb the cost for the capital improvements they invest in by sprucing up the property (known as curb appeal). It is the property owner's responsibility to maintain and upkeep their property and not seek tenants to pay for their capital improvements. We stand against Capital Improvements
- D. We stand against Housing being used as a commodity rather than a housing dwelling
- E. We stand against the displacement of people who are forced to move to rural areas or become homeless due to unaffordable housing
- F. We stand against new developments or renovated rental units that sit empty because the rent is Unaffordable
- G. We stand against Big Private Real Estate Investment firms whose mindset is not about housing it's about building assets
- H. We stand against Big Private Real Estate Investment firms who make money by fishing for fools they can take advantage of
- I. We stand against Not knowing who the owners of properties are because many are owned by foreign companies in Hong Kong and Singapore and elsewhere which relieves them of transparency
- J. We stand against Big Private Real Estate Investment firms buying up precious Urban land

Wealth is not being created it is being taken and Big Private Real Estate Investment Firms are Monsters that no one can see, and no one understands

It is all about Political Power to the Big Private Real Estate Investors. Their motto is "Make money by destroying the world." And They have perfected an approach to being able to make as much money

as possible.

As of 2019, home prices in 30 years increased by 425% yet income over this time period increased only by 133%. So, does the Big Private Real Estate Investment firms care about the cost of housing rising 425%, and the answer is "yes most definitely", does the Big Private Real Estate Investment Firms care about slower growth in income of only 133%, and the answer is "NO THEY DO NOT."

Residents of all cities should Stand Firm and collaborate diligently with their Mayor and Councilmembers to:

- **Decide firmly** on a course of action regarding unaffordable housing and the homelessness crisis that both exist globally
- **Protect tenants** through rent control and other tenant protections
- Remove Capital Improvements from being a policy. It is the responsibility of property owners to invest in their property and not expect tenants to absorb the cost
- Preserve existing affordable housing, not demolish it to make way for luxury housing
- **Produce more** affordable housing and housing for the homeless
- **Take back cities** by Not allowing Big Real Estate Investment firms to dictate what actions they will take within cities

Not getting involved and taking back control of cities allow continued increase in Homelessness and a continued Decrease economically because residents are being forced to move out.

Thank you all for your time and efforts.

Warm Regards,

Efrem R. Williams, Mediator

Manners & Thoughtfulness doesn't cost anything, but they can bring you more benefits than anything you can buy

Character is more important than our talent. If we don't have strong character, we won't go very far.

From: <u>Trish Spencer</u>
To: <u>Lara Weisiger</u>

Subject: Fwd: [EXTERNAL] Capital Improvement program

Date: Monday, October 16, 2023 7:51:19 PM

----- Forwarded message -----From: ERIC RAFF <ericraff@msn.com>

Date: Oct 16, 2023 4:50 PM

Subject: [EXTERNAL] Capital Improvement program

To: Trish Spencer <tspencer@alamedaca.gov>

Cc:

Please preserve the existing Capital Improvement program in order to maintain the quality of the existing housing stock in the City of Alameda

Eric Raff

Sent from my T-Mobile 5G Device Get Outlook for Android From: ERIC RAFF
To: CityCouncil-List

Subject: [EXTERNAL] Alameda"s Capital Improvement plan Pass thru

Date: Monday, October 16, 2023 5:28:39 PM

Please maintain the existing Alameda Capital Improvement plan pass through for rental housing. Alameda has many older buildings some of which are victorians and over 100 years old which need major capital work. Without the meaningful capital improvement pass through the housing stock will surely deteriorate.

Hugh Winslow 1610 Central Ave.A Alameda 94501

Winslowh@yahoo.com 510.205.4389

Sent from my T-Mobile 5G Device Get <u>Outlook for Android</u> From: William Smith

To: CityCouncil-List; clerk@alameda.gov
Subject: [EXTERNAL] Capital Improvement Policy
Date: Monday, October 16, 2023 9:39:28 AM

I am resident at the South Shore Apartments who is on a fixed income and undergoing chemotherapy. Because of this, if I were to have to pay for any capital improvements, in addition to the annual rent increases, it would place an undue burden on me and a possible move. Therefore, I ask that you eliminate the Capital Improvement policy for the South Shore Apartments.

From: <u>koyama Haruko</u>

To: <u>CityCouncil-List; Rent Program</u>

Cc: <u>koyama Haruko</u>

Subject: [EXTERNAL] Fwd: Long time Alameda resident against CIP

Date: Friday, October 13, 2023 9:33:16 AM

To Whom It May Concern,

I am resending my email requesting for the elimination of the CIP provision for Southshore Apartments and the entire City of Alameda. Increase in rent from annual increase + CIP makes it even more difficult for tenants to sustainably live in California.

Thank you for your attention.

Sincerely,

Haruko Koyama

Sent from my iPhone

Begin forwarded message:

From: koyama Haruko <haruko02@hotmail.com>

Date: August 17, 2023 at 7:05:15 PM PDT

To: citycouncil-list@alamedaca.gov, rentprogram@alamedaca.gov

Cc: koyama Haruko hotmail.com Subject: Long time Alameda resident against CIP

To Whom It May Concern,

My name is Haruko Koyama. I have been a long term renter and a resident of Southshore Apartments (over 10 yrs) in Alameda California.

I am writing you to request for the full elimination of Capital Improvement Plan (CIP) provision policy for Southshore Apartments and for the entirety of City of Alameda. Tenants should not be expected to foot the landlord's CIP of \$20 million+ dollars. It is the law for the landlords to maintain the property. We did not request for these beautification projects. The yearly rent increase is already tough enough for the renters as is. We really need a better plan to protect the renters.

Thank you for your attention.

Sincerely, Haruko Koyama

Sent from my iPhone

From: Nancy Lewis
To: CityCouncil-List

Cc: Nancy Lewis; City Attorney; City Clerk

Subject: [EXTERNAL] Capital Improvement Plan Policy, for meeting October 25th, 2023" 6pm

Date: Sunday, October 8, 2023 4:11:52 PM

Dear City Council Members,

Time is closing in for this great city to finaly knock down Blackstone's callous greed. Let's step forward for a new season of sincerer sensitively, for the real folks who built and uphold this city.

- . Who is this city of Alameda for?
- . Pulling money out of the community, instead of circulating it within.
- . Displacement of this vital core community.
- . Extracting the life out of our citizens.
- . The CDC and Prevention says: Elder Abuse (Adults of 60) is "an intentional act or failure to act that causes or creates a RISK of HARM to an older adult. How do you feel now, acknowledging that?
- . What we have here is-a careless neglect, lack of regard for a substantial population of seniors who have cultivated their roots here. Calling South Shore Apartments and or Alameda HOME, for many years now.
- . Our neighbors: are helping hands. errand runners, care companions,, drivers to Dr's Appt's, dog walkers and pet sitters. There is evident security in trusting, that these tentents are nearby to assist one another!
- . Blackstone is severing our LIFE LINES: Impacting our mental wellbeing, fear of isolation from friends, which amounts to abandonment trauma. Negatively effecting our longevity.
 - . Commonality is: We are always worthy and needy, for safe sustainable and affordable housing. Right!
- . The Fair Employment and Housing Act (FEHA) and UNRUH Act: Fair Housing Rights and Prohibition against discriminatory advertisement . HUD-part 109. Pictures have disparate impact.
 - . Housing Equality Law Project: Fair Housing for California "everyone belongs here"
- . We didn't need or want our resident property reshaped and modified into a new age playboy's styled-playground facade. For we're already blessed and have the great good fortune, being surrounded by Alameda's Recreation and Park Department's 30 + outstanding parks and facilities, offering up something for everyone. Way to go, Alameda!
- . Renters are already a disadvantage class, economically. The average median income for rents is around half of that of homeowners: yet homeowners can count on a fixed interest rate year after year. piling up equity over time.
- . The lost direction of Alameda CIP: We leave no stone unturned from the claws of this obese real estate firm. What we know now, it will be no sacrifice at all, to turn Blackstone around/upside down.
 - . CIP is a punishment to renters. Please protect our city from tumbling down by the vultures.

. I believe that Mia Bonta Assembly Member, District 18 would stand on these facts and values, that I
bring forth here.

Thank You,

concerning this matter Nurse Nancy From: <u>diane appelbaum</u>

To: Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella

Cc: <u>City Attorney; City Clerk</u>

Subject: [EXTERNAL] Important Information California Apartment Association

Date: Tuesday, October 3, 2023 6:21:46 PM

Dear Mayor Ezzy-Ashcroft and City Council members,

Greetings, and I hope you have all had a nice summer.

I'm sending the link below to a recently published, very disturbing article about the California Apartment Association. I hope you will be able to read the article prior to the special session October 25 to discuss the future of Alameda's Capital Improvement Ordinance.

It describes a group of multi-billion-dollar real estate companies that have shelled out millions to the California Apartment Association's political committees to kill renter protections and abolish rent control.

The amount of monies spent to upend state and local political races to support corporate landlords and real estate companies is deplorable. Rather than spending millions to accumulate assets, funding could be used to decrease homelessness and allow affordable housing to everyone, acknowledging that **housing is a human right.**

This information is all the more reason why Capital Improvement Plans should not be allowed in the city of Alameda.

Please review the article, as Alameda County is mentioned as well as Prometheus Properties, who previously managed South Shore apartments.

Sincerely yours,

Diane Appelbaum South Shore Apartment tenant

Will the California Apartment Association's Billionaires Club Destroy California?

Alameda Renters Coalition

October 2, 2023

Bill Chapin, Director Alameda Rent Program 950 W. Mall Square, Room 172 Alameda, CA, 94501

Re: 8/28/23 Presentation on Proposed CIP Policy

Dear Mr. Chapin:

At its August 28, 2023 presentation, the Alameda Rent Program provided an overview on the City's proposed revision to the existing Capital Improvement Plan (CIP) policy, and requested feedback. We are providing ARC's comments below. The draft CIP policy proposes to "Maintain quality of City's rental housing stock ... while providing tenant protections" and to "Better balance the priorities ... of tenants and landlords".

The presentation is quite detailed, but it fails to answer the primary question: Why is a CIP policy necessary at all? What does it offer that the Fair Return process does not? The City presents the CIP policy as somehow preferable to Fair Return, but in reality, they are not "either/or" options. Fair Return is always available to landlords, as a constitutional right, with or without CIPs. In practice, a CIP may be preferable for landlords, but not so for tenants.

Rent stabilization is intended to provide some degree of security for renters and that is obviously undermined by a CIP policy. Rather than impose a new structure on renters and landlords, why not focus on making Fair Return function as it was intended? Perhaps landlords need workshops on the use of Fair Return, or other forms of guidance.

The reality is that our region has some of the highest rents in the country, even with rent control, and market rents are applied every time a unit turns over. Why is rental income not considered sufficient to maintain a property?

A memo dated December 5, 2020, from Alameda's Chief Assistant Attorney Michael Roush states that some landlords assume that below-market rents have denied them a "fair return", because these terms have been conflated. However, Section 6-58.75 of the Alameda Municipal Code states that "[M]aintenance of a Net Operating Income for the Base Year, as adjusted for inflation over time, provides a landlord with a fair return on property".

This does not mean that getting a "fair return on property" requires a rent increase, and it has not been demonstrated that landlords are routinely experiencing a loss in net operating income.

Furthermore, the CIP policy, *both existing and proposed*, undermines rent stabilization without accomplishing the stated goal of improving building habitability or safety, the City's supposed rationale. This was clearly demonstrated in the first real test of the City's current CIP ordinance, when the owners of South Shore Apartments spent \$24 million on capital improvements without addressing tenants' habitability issues.

October 2, 2023 Page 2

At the August 28th event, South Shore residents testified that needed repairs, such as water damage from rain leaks, black mold, vandalism, and garage security were not made. However, new construction, and photos of newly renovated apartments for new tenants, were being advertised. During this time, no repairs were made for the current residents. Why is there no requirement to address safety and habitability first?

All of these questions and confusion point to the need for detailed studies that *verify* the City's assertions about the need for a CIP policy.

To date, there have been no studies on what policies have been effective to incentivize building maintenance, or conversely, what impact a CIP policy might have on tenant displacement.

The draft policy proposes a drastic change in threshold to qualify for a CIP, which is a major threat to tenants. It could potentially make a CIP feasible in almost any eligible property -- or multiple CIPs -- and there is no estimate of what the likely impact would be on displacement, especially given that it bypasses the current 5% cumulative cap and increases it to 8%. What tenant can afford an 8% increase over multiple years?

This CIP policy threatens to increase Alameda's homeless population. Seniors are the fastest growing group to become homeless. Having children is the number one indicator of becoming homeless. As renters pay current rent, back rent and COVID debts, CIP has a far greater impact on keeping a roof over their head than investors with multiple homes wishing to maximize rental income.

Finally, why is the existing rental income not sufficient to maintain the property? Beyond landlords' anecdotal complaints, where is the proof?

We believe that the City's CIP policy, both current and proposed, acts to override the very reasonable Fair Return process, which requires landlords to demonstrate a loss of net operating income and does so without arbitrarily forcing tenants out of their homes and into the street. Instead of either/or, this can be a both/and situation. The existing Fair Return process makes it possible for landlords to receive a fair return on their property, and for tenants to be treated equitably and to live in adequately maintained apartments. The CIP policy does not contribute to this balance.

In conclusion, ARC remains solidly opposed to any form of Capital Improvement policy, including the existing CIP policy, in the City of Alameda. The CIP process acts to undermine the rent control meant to protect tenants and preserve affordable housing.

Sincerely,

Jan Santos
On behalf of Steering Committee
Alameda Renters Coalition

cc: Mayor Ashcraft and City Councilmembers
City Clerk

From: Roberta Schwarz

To: Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella

Cc: Roberta Schwarz; City Attorney; City Clerk

Subject: [EXTERNAL] Eliminate CIP

Date: Saturday, September 30, 2023 11:35:35 AM

Attachments: PUSH THE FILM

TO MAYOR ASHCRAFT AND ALAMEDA CITY COUNCIL:

I hope you will have the opportunity to see the film "Push" which makes compelling points regarding big investment firms and the exploitation of renters. The film explains how drastically rents have increased, while wages remain stagnant. (Link is below.)

"Push" does not deal directly with the issue of CIP, but it describes how such multi-billion-dollar foreign corporations like Blackstone own enormous swaths of real estate in what is described as "unbridled capitalism." They buy huge blocks of property and, like vultures, evict the tenants and upgrade so that they can rent to the wealthy for an inflated price. They wield political power, as most city governments are unaware of what is going on in their cities. Their desire is for more and more money.

Regarding Capital Improvements: They label regular required maintenance as Capital Improvements so that they can put a surcharge on tenants, as they are trying to do at Alameda's South Shore Apartments. This is a dysfunctional situation, and we trust Alameda City Council to do the right thing and not allow Blackstone to further squeeze the tenants who are already paying inflated prices.

Thank you for your attention.

Sincerely,

Roberta Schwarz South Shore Apartments resident 909 Shorepoint Court, Apt. D-203 Alameda, CA 94501 cell/text: 949-922-3291

reschwarz@sbcglobal.net

From: Bill Chapin
To: City Clerk

Subject: FW: [EXTERNAL] Option A!

Date: Tuesday, September 5, 2023 5:01:42 PM
Attachments: Reasons to Eliminate the CIP Policy Entirely.docx

image002.png

One more ...

From: diane appelbaum <dappelbaum2002@yahoo.com>

Sent: Wednesday, August 23, 2023 12:21 PM

To: Ryan Halpern <rhalpern@alamedaca.gov>; Bill Chapin <bchapin@alamedaca.gov>

Subject: Re: [EXTERNAL] Option A!

Dear Bill,

I forgot to thank you for pointing out some inaccuracies in the Reasons to Eliminate CIP list I sent.

Please see corrections of those bullet points on the revised list, attached.

On Wednesday, August 23, 2023 at 12:07:07 PM PDT, diane appelbaum dappelbaum2002@yahoo.com> wrote:

Dear Bill,

Thanks for your note and for the reminder that the AGA can go up to 5%. All the more reason to eliminate CIP.

I really understand and appreciate your attempts to make a bad thing better for tenants by modifying percentages, amortization periods, etc,but tweaking numbers doesn't really address the real life situation of tenants. And why spend all that time and effort when there are only several landlords who have even used CIP in past years?

For example, you know that the suggested 8% cumulative cap is something that's been proposed before, and opposed by renters for several years. It is simply too high. For example, with a \$3300 rent, an 8% increase would be an extra \$264 per month. Who can afford that? It's already overwhelming with banking.

I do wholeheartedly agree with eliminating CIP for large corporate landlords (like Rockpoint/Blackstone who own South Shore) and who seem to be taking over many cities. Ruthless. Take a look. Alameda doesn't want to be known for supporting these kind of landlords.

https://calmatters.org/california-divide/2023/05/california-renters-fear/and

https://eastbayexpress.com/wall-street-comes-to-alameda-2-1/

Best, Diane

On Wednesday, August 23, 2023 at 11:24:13 AM PDT, Bill Chapin < bchapin@alamedaca.gov> wrote:

Hello Diane. Thank you for these thoughtful arguments. We will indeed be talking about both Option A and Option B at the workshop.

Just a few factual items I wanted to note:

- The AGA can go as high as 5.0%, although it hasn't been more than 3.5% to date
- The current proposal to revise the CIP Policy (a.k.a. Option B, which, again, is still just a preliminary proposal at this point and has not been formally presented to Council) would limit the combination of AGA + banking + CIP pass through to no more than an 8.0% increase annually, so it could never go above the 10% limit set by state law (AB 1482). Of course, that's not the case with the CIP Policy as it exists currently.

We'll see you on Monday, I'm sure!

Regards,

Bill

City of Alameda Rent Program

ph: (510) 747-7520 | rentprogram@alamedaca.gov



www.alamedarentprogram.org

The Alameda Rent Program administers the City of Alameda's Rent Ordinance, which regulates rent increases and "no fault" terminations of tenancy and requires landlords

to register all rental units.

Mailing Address: 950 W. Mall Square, Room 172, Alameda, CA 94501

24-Hour Drop Box: Oak Street between City Hall and Alameda Police Dept.

Hours of Operation: 9 a.m. to 5 p.m. Monday-Friday

From: diane appelbaum < dappelbaum2002@yahoo.com >

Sent: Tuesday, August 22, 2023 10:31 PM

To: Bill Chapin

bchapin@alamedaca.gov>; Ryan Halpern

rhalpern@alamedaca.gov>

Subject: [EXTERNAL] Option A!

Dear Bill and Ryan,

Thank you again for holding the recent focus group for tenants. As you learned (no surprise), everyone who attended was unified in advocating for *Option A: Eliminating CIPs entirely.*

Attached are some reasons why (a few of which were presented in the focus group).

Another compelling reason to eliminate CIP is to free up the inordinate amount of time you and City Council have spent trying to revise the CIP policy over the years, when only a handful of landlords have tried to use it. This doesn't seem cost-effective for the City, when there are other important policies to spend time on.

I do recognize your efforts to offer compromises (your Option B list) - but as you heard during the meeting, clearly there was push-back on some items on your list.

Anyway, I hope we can spend some time on August 28 discussing Option A.

Best wishes,

Diane

Reasons to Eliminate the CIP Policy Entirely

- Alameda renters fought hard for Rent Control. Charging a pass-through fee for CIP completely undermines Rent Control, and goes against the spirit of the rent control law – that housing is a human necessity and a human right.
- Renters are already a disadvantaged class, economically. The average median income for renters is about half of that of homeowners; yet homeowners can count on a fixed interest rate each year and are building equity over time.
- Renters should also be able to plan each year around an estimated amount of rent increase, which is the yearly AGA of 1% 5% allowed by rent control (for 2023 it was 3.5%). Renters need to anticipate what their increase will be in order to budget according, and not be hit by an additional CIP pass-through fee.
- Imposing the CIP pass-through fee represents a kind of "passive eviction" for many, which will increase housing security, displacement, and homelessness.
- It is the landlord's responsibility and obligation (and it's the law) to maintain property in a healthy and safe condition and not let the property deteriorate. This can be budgeted from the landlord's rental income.
- Landlords have other ways of earning income: from the rent itself; from the yearly increases allowed by rent control; from rent increases each time a tenant moves out; and by filing a Fair Return petition.
- With CIP, landlords enjoy the increase in equity, while the renter pays 100% of the costs for improvements. Tenants should not have to pay for repairs or improvements when they have no equity in property. Or if they pay towards increasing the value of the property, they should get part ownership of the property.
- Renters are still struggling financially from the hardships imposed by the pandemic. COVID
 has disproportionately affected low income people and people of color. Imposing CIP on
 the heels of the pandemic will further these disparities and place undue hardship on citizens
 of Alameda.
- During COVID, landlords were able to 'bank' rent, but are now able to collect up to 3% of that banked rent. A CIP fee on top of the additional banking will make monthly payments out of reach for most tenants even with a cumulative cap of 8%.

- If landlords can apply for a new CIP every two years, even if a new tenant moves in and escapes one round of CIP pass-through fees, they will need to pay pass through fees in future years.
- With CIP, different cities have varied and sometimes contradictory definitions of what work
 qualifies as a capital improvement vs repairs. Landlords can find ways to use the CIP policy
 to their advantage.
- CIP makes people's homes "business first," without regard for tenants' real situations.

There are lessons to learn from what has happened with the South Shore Apartment CIP:

- It would be unfair to have a CIP plan which isn't equitable for all tenants. At South Shore, except for new windows, there were no "improvements" inside any of the units. It is true that tenants in the newly renovated units do pay higher rent, but they get more for their money (renovated units have washer/dryers, new floors, new kitchens and bathrooms, cabinets, paint, etc). The older, 'standard' units have none of these things, yet it is those tenants who are expected to pay the pass-through for general maintenance for the buildings, and expensive, recreational areas for curb appeal. Meanwhile, it is the renovated units that are the "draw" for higher paying renters. From South Shore's promotion: "It's the smallest details that turn an 'apartment' into a 'home' (and the not so small ones, like the newly renovated kitchens at South Shore Apartments.)" And "Paradise found. Who needs a resort when you have access to all these amazing outdoor amenities at South Shore Apartments."
- The Alameda CIP policy leaves open the possibility that landlords can buy "as is" properties and then shortly after purchase, charge tenants the CIP fee for long-neglected repairs. The Rockpoint Group, a multi-billion dollar investment company, bought South Shore Apartments in 2018 for \$193.2M. They seized the opportunity to do some repairs and add amenities to the tune of \$24M to attract higher paying tenants. Their advertisements even convey that intent: From the Maximus website: "South Shore was a shining jewel in the 1970's but was sorely in need of a refresh. We are retaining the soul of this friendly beachside enclave as we transform it into the top lifestyle-driven community in Alameda."
- Tenants pay rent in good faith. Yet South Shore tenants experience issues of habitability, such as mold, water intrusion, poor plumbing, rats, or general lack of security: vandalism on cars due to defective garage doors/locks; intruders to the property, stolen mail and packages. To be asked to pay an extra fee for construction work that doesn't even address these issues of health and safety is not acceptable.

From: <u>Bill Chapin</u> on behalf of <u>Rent Program</u>

To: <u>City Clerk</u>

Subject: FW: [EXTERNAL] Eliminate CIP in Alameda

Date: Tuesday, September 5, 2023 4:58:18 PM

From: Harrison Baker hrbaker909@gmail.com>
Sent: Thursday, August 24, 2023 10:20 AM

To: Rent Program <rentprogram@alamedaca.gov> **Subject:** [EXTERNAL] Eliminate CIP in Alameda

Please reconsider approving this CIP program and eliminate it for all Alameda tenants. The extremely high cost of living in the Bay Area has already driven many long term residents away from our state. We have the second highest rents in the entire country as well as wildfires, homelessness, lack of water and numerous other problems. Many long term businesses have abandoned our state for good because of this. This CIP PROGRAM WOULD ONLY HURT MORE IN A EXTREMELY FRAGILE ECONOMY. Also as a current member of the SSBTC community, our living conditions have constantly been compromised due to continuous construction projects every single day by our management for many months. We tenants are already paying extremely high rents & should not have to carry the costs for these 'capital improvements' by out of state owners. Thank you for your consideration and time. A very concerned tenant G.Baker

--

Harrison Baker 510-853-4095 From: <u>Lindsay Meyer</u>

To: Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella; Rent Program; CityCouncil-List

Subject: [EXTERNAL] Speaking out against CIP at Southshore Apartments

Date: Thursday, August 17, 2023 1:05:58 PM

Hello City Council members and Rent Program staff,

Please see below reasons I believe the CIP policy should not be implemented at my current residence of Southshore Apartments.-

Alameda renters fought hard for Rent Control. Charging a pass-through fee for CIP completely undermines Rent Control goes against the spirit of the rent control law – that housing is a human necessity and a human right.

- Renters are already a disadvantaged class, economically. The average median income for renters is about half of that of homeowners; yet homeowners can count on a fixed interest rate each year and are building equity over time.
- Renters should also be able to plan around an estimated amount of rent increase, which is the yearly AGA of 1% 3.5% allowed by rent control. Renters need to count on what their increase will be in order to budget accordingly not to be hit by a surprise additional fee.
- · Imposing the CIP pass-through fee represents a kind of "passive eviction" which will increase housing security, displacement, and homelessness.
- · It is the landlord's responsibility and obligation (and it's the law) to maintain property in a healthy and safe condition and not let the property deteriorate.
- Tenants pay rent in good faith. They should not be confronted with issues of habitability, such as mold, water intrusion, rats, and lack of security. To be asked to pay an large extra fee for construction work that doesn't even address these issues of health and safety is outrageous.
- · Landlords have other ways of earning income. They receive income from the rent itself and the percent increases allowed each year by Rent Control. They also are able to raise the rent each time a tenant moves out; they can also and file a Fair Return petition.
- · With CIP, landlords enjoy the increase in equity, while the renter pays 100% of the costs for improvements. Tenants should not have to pay for repairs or improvements when they have no equity in property. Or if they pay towards

increasing the value of the property, they should get part ownership of the property.

- · Renters are still struggling financially from the hardships imposed by the pandemic. COVID has disproportionately affected low income people and people of color. Imposing CIP on the heels of the pandemic will place undue hardship on citizens of Alameda and create further disparities.
- During COVID, landlords were able to 'bank' rent, but are now able to collect up to 3% of that banked rent. . A CIP fee on top of the additional banking could bring monthly payments up to 10% or above, which would be catastrophic to most renters.
- · Many East Bay property owners have upgraded rental units without having to rely on a CIP pass through. Major renovations and improvements that are planned for and budgeted in advance by landlords should not require a sudden increase in rent (or pass through) for tenants.
- · CIP sends the message that peoples' homes are "business first." Alameda should be welcoming.
- There are varied and sometimes contradictory definitions of what qualifies as a capital improvement vs repairs. Landlords can find ways to use the CIP policy to their advantage.
- · Landlords can apply for a new CIP every two years, so even if a new tenant moves in and escapes one round of CIP pass-through fees, they will need to pay pass through fees in future years.
- The Rockpoint Group, a multi-billion dollar investment company, bought South Shore Apartments in 2018 for \$193.2M. Knowing that the property had not been maintained for years, they seized the opportunity to do some long-neglected repairs (some of which haven't even lasted one year), and increase curb appeal with visible amenities taking advantage of Alameda's flawed CIP policy and requiring tenants to cover their \$20M costs.

Their advertisements even convey their intent: "South Shore was a shining jewel in the 1970's but was sorely in need of a refresh. We are retaining the soul of this friendly beachside enclave as we transform it into the top lifestyle-driven community in Alameda.

Thank you for your time and consideration, Lindsay Meyer

From: Anne Beavers
To: CityCouncil-List

Subject: [EXTERNAL] NO TO LANDLORD PAYMENT INCREASES

Date: Monday, August 28, 2023 4:27:48 PM

I am a Longtime Alameda renter. I am an Alameda voter!

NO! to allowing landlords to require tenants to pay for improvements!

Renters have a very difficult financial situation having to pay rent in these challenging times and can not afford to pay for owner improvements!!

Support Alameda renters, not placing unattainable additional burdens.

From: Gloria

To: <u>CityCouncil-List</u>

Cc: Me

Subject: [EXTERNAL] Please reconsider approving this CIP program and eliminate it for...

Date: Thursday, August 24, 2023 9:28:31 AM

Please reconsider approving this CIP program and eliminate it for all Alameda tenants. The extremely high cost of living in the Bay Area has already driven many long term residents away from our state. We have the second highest rents in the entire country as well as wildfires, homelessness, lack of water and numerous other problems. Many long term businesses have abandoned our state for good because of this. This CIP PROGRAM WOULD ONLY HURT MORE IN A EXTREMELY FRAGILE ECONOMY. Also as a current member of the SSBTC community, our living conditions have constantly been compromised due to continuous construction projects every single day by our management for many months. We tenants are already paying extremely high rents & should not have to carry the costs for these 'capital improvements' by out of state owners. Thank you for your consideration and time.

A very concerned tenant G.Baker

From: Gloria

To: <u>CityCouncil-List</u>

Cc: Me

Subject: [EXTERNAL] Please reconsider approving this CIP program and eliminate it for...

Date: Wednesday, August 23, 2023 8:27:39 AM

Please reconsider approving this CIP program and eliminate it for all Alameda tenants. The extremely high cost of living in the Bay Area has already driven many long term residents away from our state. We have the second highest rents in the entire country as well as wildfires, homelessness, lack of water and numerous other problems. Many long term businesses have abandoned our state for good because of this. This CIP PROGRAM WOULD ONLY HURT MORE IN A EXTREMELY FRAGILE ECONOMY. Also as a current member of the SSBTC community, our living conditions have constantly been compromised due to continuous construction projects every single day by our management for many months. We tenants are already paying extremely high rents & should not have to carry the costs for these 'capital improvements' by out of state owners. Thank you for your consideration and time.

A very concerned tenant G.Baker

From: <u>koyama Haruko</u>

To: <u>CityCouncil-List; Rent Program</u>

Cc: koyama Haruko

Subject: [EXTERNAL] Long time Alameda resident against CIP

Date: Thursday, August 17, 2023 7:05:18 PM

To Whom It May Concern,

My name is Haruko Koyama. I have been a long term renter and resident of Southshore Apartments (over 10 yrs) in Alameda California.

I am writing you to request for the full elimination of Capital Improvement Plan (CIP) provision policy for Southshore Apartments and for the entirety of City of Alameda. Tenants should not be expected to foot the landlord's CIP of \$20 million+ dollars. It is the law for the landlords to maintain the property. We did not request for these beautification projects. The yearly rent increase is already tough enough for the renters as is. We really need a better plan to protect the renters.

Thank you for your attention.

Sincerely, Haruko Koyama

Sent from my iPhone