Mayor Marilyn Ashcroft

Vice Mayor Tony Daysog

Councilmember Melia Vella

Councilmember Trish Spencer

Councilmember Tracy Jensen

December 5, 2023

RE: Continuation of Capital Improvement Plan (CIP) discussion

Dear Council Members,

Many people I know, both renters and homeowners were very surprised that Councilmember Jensen pulled the CIP item. What was her real motivation? Many people I know suspect that "equity" was not the real reason why Jensen reversed her vote.

When the Council approved of Rent Control about 5 years ago, that was one of the greatest things that you could have done to take care of Alameda renter residents (human beings) who are over fifty percent of the city that you represent. Thank you Councilmember Ashcroft for you support for renters through the years.

I am a long-time Alameda resident, from a Navy family and like all of you except for Jensen, I am a person of color. Many renters in Alameda are also people of color: African American, Hispanic, Southeast Asian, Indigenous Native, Pacific Islander, mixed and others. Many renters are people of color.

I have been a public servant all of my life having worked for the federal government and in the education sector. I have intentionally worked in the public sector because I believe in "public service." I strongly appreciate elected representatives who display a strong sense of public service - which is important to a thriving democracy.

Elected officials who truly believe in public service would not have done what Councilmember Jensen did – it appears to be contrary to true public service. Part of public service means "active listening" to the people who elected you into office and respected the democratic process of actively attending many meetings, focus groups to shape a policy "with the public." That is why so many people are so shocked by the reversal of Jensen's vote which would have protected most of Alameda's renters.

As renters we understand that rent control can be wiped out due to the costs incurred by a Capital Improvement Plan (CIP) that disregards the vulnerability of renters or the likelihood that rapidly rising rents (through CIP passthroughs) will result in homelessness, destabilization of groups of vulnerable populations (poor people) in order to provide profits to primarily corporate landlords who are not in survival mode or who are not at risk of homelessness. I live in a 16 unit building owned by San Francisco largest corporate landlord, Veritas.

The CIP item has been calendared for discussion at council meeting on December 5th and it falls at the end of the meeting agenda. This could become be a public crisis leading to evictions, homelessness and perhaps deaths of the most vulnerable tenants. It does not give residents enough time to organize and formulate a response to this unexpected change; and having the item scheduled late in the meeting will make it even harder for us to participate in the discussion. Council should not be placing barriers to tenants' ability to weigh in on changes that will negatively impact our rental costs and housing stability.

Your decision has real, urgent financial impact on poor, low to medium-income single people, people of color, unemployed, underemployed, disabled and elderly and sick people. Please do not allow a negative spiraling of poverty to happen to renters.

Sincerely,

Diana Cabcabin

| From: | Andrea Johnson |
|----------|--------------------------------------|
| То: | CityCouncil-List; City Clerk |
| Subject: | [EXTERNAL] Vote against the CIP |
| Date: | Tuesday, December 5, 2023 4:04:00 PM |

My name is Andrea, and I am generally not very politically involved, but this revote on the CIP is ridiculous.

I've lived in Alameda for 11 years and seen the prices for housing skyrocket.

Why would you put even further pressure on rental tenants??

That makes me so angry

It makes no sense to put the cost of improvements on tenants.

If your favorite restaurant renovated and fixed the foundation, added nicer bathrooms, and put flowers outside the door then charged you double for your favorite meal to cover the costs of renovation, wouldn't you feel like you were being taken advantage of?

Vote no.

Sincerely, a long time renter.

Andrea Johnson

| From: | Sean McQuillan |
|----------|--|
| То: | <u>CityCouncil-List</u> |
| Subject: | [EXTERNAL] Public comment: Opposed to CIP plan |
| Date: | Tuesday, December 5, 2023 4:01:23 PM |

I am a homeowner in Alameda. I strongly oppose CIP.

I'm sure you've heard all the arguments so I'll keep it at that ;).

--Sean McQuillan 415.990.0854 Carm DeMaio 1532 Willow St, Unit B Alameda, CA, 94501

City Clerk's Office 2263 Santa Clara Ave., Room 380 Alameda, CA, 94501

Subject: Opposition to the Alameda Capital Improvement Plan

Dear Members of the Alameda City Council,

I hope this letter finds you well. I am writing to express my deep concern and strong opposition to the proposed Alameda Capital Improvement Plan. As a resident of Alameda for over seven years, I believe that CIP has already had serious implications for tenants. I urge you to completely repel CIP.

The proposed plan forces tenants to absorb the risks and costs of ownership without any of the benefits of ownership. If I am forced to pay for a new roof or foundation for my apartment, on top of my ever increasing rent, do I have any say in the repair process? Any say in how the repairs are done, any say in who does the repair, or any return on the investment of a new roof? If the answers are no, then I ask the Council: 'Why do you think it is appropriate to go out of your way to socialize the costs of ownership while keeping profits privatized'? If landlords cannot afford to maintain their property they should consider selling instead looking for a handout from the renter class. CIP frankly gives the impression that our local government fully intends to keep the average price of a house in Alameda millions of dollars so that landlords can stay landlords, and tenants can only ever be tenants.

Allowing landlords to pass on the costs of major repairs to tenants results in significant rent increases, and frankly is nothing more than a backdoor way to try to circumvent the rental stabilization Alameda has put in place over the past years. I personally have already seen first hand how CIP leads to displacement and negatively impacts the affordability of housing in Alameda. I have a coworker who recently moved from Alameda because she said that having to worry about CIP while living at Shoreline Apartments was just too much to deal with and worry about. I have multiple retired neighbors on fixed incomes who have told me they simply could not afford a surprise increase to pay for something like a new roof for someone else - and now have even more anxiety over their finances.

Instead of burdening tenants with repair costs, the City Council's focus should be on implementing and strengthening tenant rights and protections. Adequate legislation should be in place to ensure that landlords fulfill their responsibilities in maintaining safe and habitable living conditions. I've had three separate landlords while living in Alameda, and all three have resorted to illegal tactics when it comes to either repairs, security deposits, or flat out intimidation. I am thankful that the county and state had legal provisions and protections in place to protect me as well as the Rent Program that the city has implemented. Frankly put Landlords provide little to no benefit to a healthy society, they provide housing the same way that scalpers "provide" concert tickets.

Thank you for your attention to this matter. I trust that the City Council will consider the broader implications of the proposed plan and work towards policies that promote fair and equitable housing for all residents of Alameda instead of ensuring that the rich stay rich while the poor stay poor.

Sincerely,

Carm DeMaio

Greetings City Council,

I am writing to strongly oppose the CIP pass throughs that are on tonight's agenda.

As a landlord of a single unit, I find it absolutely unconscionable that any costs to improve a property and add value to that property, would be passed through to tenants. Rents are astronomically high - landlords (LIKE ME) should not be allowed to force tenants into improving properties when they own no equity.

Please reject this CIP proposal and protect Alameda's rent control.

Thank you, Laura Gamble

| From: | Laura Woodard |
|----------|--------------------------------------|
| То: | <u>CityCouncil-List</u> |
| Subject: | [EXTERNAL] No CIP! |
| Date: | Tuesday, December 5, 2023 3:18:24 PM |

Dear Mayor Ezzy Ashcraft and Councilmembers,

I strongly oppose having any Capital Improvement Plan policy in our extremely rent-inflated city.

CIP is an unpopular policy that everyone I've spoken to finds shockingly unfair, especially the proposal to allow some tenants to be forced to pay **100%** of the cost of improvements. Why would the needs of landlords, many who don't live in Alameda, trump popular opinion and the needs of the city's most vulnerable residents?

Please do the right thing and get rid of CIP altogether.

Thank you, Laura Woodard

| From: | jansantos595@gmail.com |
|----------|--|
| То: | Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella; City Clerk |
| Subject: | [EXTERNAL] Your chance to reconsider no CIP. |
| Date: | Tuesday, December 5, 2023 3:15:33 PM |

Hello Mayor and City Council,

I am a member of Alameda Renters Coalition (ARC). You have heard from me many times, expressing my solid and complete opposition to CIP of any kind, because it is anti-tenant, causing displacement and homelessness. No need to repeat myself in depth here. I suspect the reason for Council's review at this time, is just to make changes in CIP policy. But it's also a chance for you to change your position. Please act with mind and heart when you cast your vote. Do you want to be responsible for causing people to be unhoused and homeless? If you choose CIP, you are each personally responsible for just that. Do you really think it's fair for tenants to have to pay for building improvements when they can barely afford their rent already, and have no equity in the property?.

Mayor Ashcraft, and Council Members Jenson and Vela, especially, as well as the rest of you on the Council, please reconsider . Use this added opportunity to make a better choice for the City of Alameda.

Sincerely,

Jan Santos Alameda Renter Dear Bill and Ryan,

I looked at the attachments to tonight's City Council meeting and noticed a "Presentation-REVISED. However the Procedural History slide you provide says Council "directed Staff to return with the previous First Reading Staff Report on CIP." I'm wondering why the report was revised. Has some of the information in the original presentation been updated?

Also in your Procedural History slide, the October 25, 2023 bullet is not clear. It does not indicate that the Option A as proposal in your presentation was modified (changed to CIP for 2-4 units only) and *passed at First Reading with a 3-2 vote.* Why was this not included in the procedural history?

Procedural History (copied from Agenda attachment)

• May 11 & June 6, 2023: Council adopted a temporary moratorium on Capital Improvement Plan (CIP) applications for properties with 25+ units and directed staff to return with recommended changes to the Rent Program's CIP Policy.

• October 25, 2023: Council introduced for First Reading an ordinance to modify the CIP Program.

• November 21, 2023: Council declined Second Reading of the ordinance and directed Staff to return with the previous First Reading Staff Report on CIP.

Perhaps you will be providing more explicit details on the Procedural History when you give your presentation tonight. Thanks for clearing this up.

Best, Diane

| From: | Toni Grimm |
|----------|--|
| То: | Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella; City Clerk |
| Subject: | [EXTERNAL] Everyone Belongs in Alameda? |
| Date: | Tuesday, December 5, 2023 12:01:10 PM |

Dear Mayor, Vice-Mayor, and City Councilmembers,

As you, once again, debate the issue of a Capital Improvement Plan (CIP) pass-through to renters, I am again asking the Council to vote "No" on this pass-through, no matter the size of the building. There is no evidence to show that dividing up our housing stock into categories by size will result in a fair system. There is no evidence to show that landlords of a 4 unit building need more help than landlords of, for example, a 12 unit building. The Rent Program is just guessing when they say so, so they use the words "more likely."

I think it is a lazy way to legislate to just copy what other cities are doing, without looking into the results of their policies. Where is the evidence that cities with a tiered pass-through have benefited by having a substantial increase on the quality of their housing? How many tenants in those cities have been evicted because of a CIP? Has the eviction rate varied by the tiers? You don't know.

What I do know is that no other business in Alameda enjoys an automatic subsidy for their large expenses. Business owners should be responsible for maintaining their own properties. Why should landlords who have ignored building and safety codes and disability access be rewarded for their neglect by having tenants foot the bill?

The current, and proposed, legislation defines capital improvements as an improvement that "materially adds to the value of the property." Why should tenants be forced to contribute to another person's investment without getting any equity in exchange? (That might be a lawsuit waiting to happen.) How can tenants move toward the dream of owning their own homes if they are subsidizing another person's home ownership, in addition to paying rent?

I'm afraid you will be creating a greater divide between the "haves" and the "have-nots" in our city as some tenants will be looking at an 8% rent increase, year after year, some for 20 years or more, which will not be sustainable.

Are you willing to change the popular slogan that has been adopted by many in Alameda, namely "Everyone belongs here," to the more realistic slogan, "Everyone belongs here ...as long as you own property"?

Toni Grimm Renter in Alameda



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Councilpersons Jensen, Daysog, and Spencer,

This weekend I received word from my community that you have reversed your vote on the CIP and it's *again* back on the table. As someone who has spoken on the topic at nearly every meeting as well as composed many emails, I will not bother to rehash why I oppose the CIP. That is well documented.

There are *many* reasons why I find this news unsettling *aside* from the direct subject of the CIP itself.

Firstly, I have attended *every* CIP-related meeting held by the rent program and the city council for the last 14 months. I do not follow the agenda or meeting minutes for *every* city council meeting. If someone from my community had not informed me of this update, I likely would have never known until it was too late. I suspect that I am not the only community member who'd previously been deeply involved in the matter and is ignorant of this reversal.

I can't say what your rationale is for this sudden change of heart. Yet, to make this a surprise reversal weeks later, during a holiday week, when most of your constituents are preoccupied with holiday shenanigans... it has a scent of subterfuge embedded within it. While I am sure you are following due process, this reversal feels deceptive to those of us who've spent a year working on the matter.

I heard your pithy explanation of your reversal being in the spirit of equity. Equity for whom? In the time that the CIP has been in place, it's been grossly ignored by small landlords. The only significant potential benefactor has been Southshore. By proxy, this would include Blackstone, whose practices in real estate investing are largely considered one of the key factors in making the modern housing market inequitable for nearly everyone. I should hope that your reversal was not intended to explore more equitable solutions for predatory real estate investors.

Additionally, the city has dedicated an incredible amount of time and resources to the CIP for the last 14 months since Southshore submitted its application. A large part of why I oppose the CIP is that the city *does not* have the resources to properly oversee the program to ensure a massive CIP application like Southshore's is properly vetted. Yet, we continue to try to debate a program which is failed to provide any value to anyone other than massive multi-billion dollar investors.

As I mentioned, I have been to nearly every rent program and city council meeting involving the CIP since last October. In that time I have only heard one citizen speak in favor of the CIP program and dozens against it. None of the corporations have had spokespersons at any of the meetings. I assume this is because they are communicating with the council directly in non-public forums?

I would like to know if your decision was influenced by corporate interest and if so how and what has been discussed. What are they asking for? These are not rhetorical questions, I would like them to be directly responded to via email and discussed in detail at the next city council meeting.

Thankfully, I have the utmost faith in Mayor Ashcraft and Councilperson Vella to hold you accountable.

I look forward to your response and to seeing you on December 5th.

Written with distinct disappointment, yet wishing you a happy holiday nonetheless,



| From: | nancy lewis |
|----------|--|
| To: | Tracy Jensen |
| Cc: | City Clerk; Marilyn Ezzy Ashcraft; Malia Vella; Trish Spencer; Tony Daysog |
| Subject: | [EXTERNAL] CIP Agenda Dec 5, 2023 |
| Date: | Friday, December 1, 2023 2:04:26 PM |
| | |

Dear Councilwoman Jensen,

You may remember me, (Nancy nurse), as one of the South Shore Apartment residents who attended the Community Awards ceremony that Assemblywoman Mia Bonta held in late October. You and I spoke briefly at that time about CIP and not wanting to see Alameda be a place that renters could no longer afford.

On October 25, at the special Council meeting for CIP, I was very appreciative of your vote, along with the Mayor and Malia Vella. Then, on November 21, Efrem Williams and I attended the meeting for the second reading and were very surprised when you made the motion to have Council come back yet again to discuss. This was disappointing to me, because I had the impression that you were well aware of the dilemma Alameda and other cities in the U.S. are facing. Councilmembers Herrera-Spencer and Daysog also indicated that perhaps you needed a bit more time to fully familiarize yourself with all the issues around rent control and CIP.

Hopefully you have been able to obtain other information you felt was needed, so that there can be a resolution on CIP at the December 5 meeting. However, I see that CIP is the last item on the Agenda. I'm requesting that CIP be moved to an earlier time during the meeting, since it has been postponed several times already, and needs to be resolved.

We should be aware that what is happening in Alameda is nationwide. ProPublica's analysis of National Multifamily Housing Council research shows that equity companies like Blackstone are becoming the nation's biggest owners of apartment buildings with five or more units. They buy up properties - mostly large like South Shore, but lately even smaller multifamily and single family properties. Their goal is to increase profits and in a few years sell at a higher value, attracting more affluent tenants. In the meantime, they raise the rent, while defaulting on essential repairs and maintenance. In the case of South Shore, their 'capital improvements' were a joke. Lipstick on a pig. Planting palm trees while leaving dry rot in the walls. To try and impose CIP onto tenants was not only a travesty, but actually a passive eviction technique, since few among us could have afforded to pay it.

Your support of renters now with the CIP issue could be a step in assuring that this kind of mentality and practice doesn't take over the Alameda rental market. Blackstone already owns Summer House and South Shore Apartments - and probably other smaller complexes that are disguised as LLCs. Once corporations have a number of properties in Alameda (as they do in San Diego and Sacramento), they can wield great influence on the housing market, outpricing most working and retired renters.

We are still advocating to eliminate CIP altogether, but please at least vote for the ordinance that was passed on 10/25, which eliminated CIP from all properties over 4 units. Hopefully this can be resolved early in the 12/5 Council meeting.

Thank you,

Nancy Lewis

| From: | diane appelbaum |
|----------|--|
| То: | Marilyn Ezzy Ashcraft; Malia Vella; Tracy Jensen; Tony Daysog; Trish Spencer |
| Cc: | <u>City Clerk;</u> <u>Yibin Shen</u> |
| Subject: | [EXTERNAL] CIP Discussion |
| Date: | Friday, December 1, 2023 1:45:06 PM |

Dear Mayor Ashcraft and City Council members,

I am respectfully requesting that the CIP item 7G on the December 5 City Council meeting be moved toward the beginning of the meeting .Hopefully making time towards the beginning of the 12/5 meeting will allow for consideration of whatever further questions Councilwoman Jensen needs to have addressed.

As you know, an inordinate amount of time has already been spent on this issue. The Rent Program has provided at least 2 presentations to Council, offering a wealth of demographic and other information which relates to CIP. On 10/25 2025 a special City Council meeting lasting over 2 hours was held, devoted solely to CIP. There has been public comment at all these meetings, together with large body of correspondence from renters and landlords.

I know there are many important other issues City Council needs to address, but a revised CIP ordinance has been on many Agendas over the past few years, and a final resolution has been delayed several times. I hope there is no further postponement, and that Council can again vote on December 5 to eliminate CIP for most, if not all, Alameda renters.

In fact, Alameda is becoming recognized for its support of tenant rights, as illustrated by the recent Federal Court decision to extend Alameda's Rent Control ordinance to Barnhille Marina residents. In that announcement, City Attorney Yibin Shen stated his committment to "ensuring that Alameda remains a place that people from all backgrounds and income levels can call home."

Please keep that committment in mind when considering CIP, and remember: (sources readily available):

- The average household income is much lower among U.S. renters than homeowners. The median household income for renters was \$41,000 in 2021, compared with \$78,000 among homeowners. A majority of renters (57%) had annual household incomes of less than \$50,000 that year.
- Renters have no equity in the homes they rent.
- Black and Hispanic adults made up a disproportionately large percentage of renters (21% each) compared with their overall shares of the U.S. population (12% and 19%, respectively).
- Most Black and Latino renters spend 30% or more of their monthly income on rent. These groups will be more disproportionately

affected when evictions resume (post-Covid)

- The median monthly cost of rent alone increased 12% since before the pandemic, from \$909 in 2019 to \$1,015 in 2021
- Renters make up over half of the population of Alameda
- Blackstone and other equity companies and corporations have already bought up a lot of property in other California cities, and now Alameda.

Praying that this all gets resolved soon in an equitable manner that preserves the Alamada that we know and love.

Best, Diane Appelbaum, RN, MS South Shore renter

| From: | Kimberly Tyda |
|----------|---|
| То: | Marilyn Ezzy Ashcraft |
| Cc: | Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk |
| Subject: | [EXTERNAL] Capital Improvement Agenda Item |
| Date: | Thursday, November 30, 2023 4:21:02 PM |

Date: 11/30/2023

Subject: Capital Improvement Agenda Item

Mayor Ezzy Ashcraft,

cc: Council members Vella, Jensen, Spencer, and Vice Mayor Daysog

As an Alameda tenant, I want to express my appreciation for your ongoing support of Alameda's renters throughout the many meetings and discussions of the proposed changes to the city's Capital Improvement Program. The opposition you have expressed during the recent council meetings on the topic has been crucial. I am asking for your further support and the support of council members by setting a special meeting for CIP and not voting on the item next week. I realize everyone is ready for the decision on CIP to be over and done with. Tenants are tired of dealing with this too. It's been stressful for many of us. We've had many meetings, focus groups, special meetings on CIP – we thought this was done when it was voted on.

I think many tenants were blindsided by council member Jensen's unexpected request to pull CIP from the consent agenda and set it for further discussion. Most tenants received little to no notice of this change and many were also unable to attend last week's council meeting to express their opposition because they were traveling for the Thanksgiving holiday.

I was able to listen to the meeting remotely and was still unclear as to why council member Jensen pulled the item for further discussion and why she and other council members voted to have the original proposal reintroduced. Also, from my understanding of what I heard; I am very concerned that some council persons intend to support expanding CIP to additional property sizes. This has the potential to negatively impact thousands of Alameda's renters at a time that is already difficult for many. As you may have read in recent local news coverage, Alameda County is facing an unprecedented eviction flood at the courts, which is predicted to displace many renters and increase homelessness in the region. Tenants in Alameda need more housing stability, not the threat of substantial increases in our rental costs.

The CIP item has been calendared for discussion at council meeting on December 5th and it falls at the end of the meeting agenda. This is problematic for a number of reasons. It does not give residents enough time to organize and formulate a response to this unexpected change; and having the item scheduled late in the meeting will make it even harder for us to participate in the discussion. Council should not be placing barriers to tenants' ability to weigh in on changes that will negatively impact our rental costs and housing stability.

I ask that further discussion on the CIP policy be held in a special meeting or moved to an earlier time slot in the council's meeting agenda. Given that the original item is being reintroduced, it should be allotted enough time for discussion and for full participation by Alameda residents.

Thank you for your consideration,

Kimberly S. Tyda, Alameda Tenant and Advocate

| From: | Roberta Schwarz |
|----------|--|
| To: | Marilyn Ezzy Ashcraft; Malia Vella; Trish Spencer; TracyJensenAlameda@gmail.com; Tony Daysog |
| Cc: | Roberta Schwarz; City Clerk; City Attorney |
| Subject: | [EXTERNAL] Eliminate CIP |
| Date: | Thursday, November 30, 2023 8:25:03 AM |

TO: Mayor Ashcraft and Alameda City Council:

I was alarmed to learn that, what I thought was an equitable and fair decision to eliminate CIP from most Alameda rental properties now is in doubt because Councilmember Jensen feels that there has not been enough public discussion.

There has been more than ample discussion over a long period of time.

We are talking about apartment blocks of many units, owned by multi-billion dollar foreign corporations who own enormous swaths of real estate in what is described as "unbridled capitalism." 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. In the meantime at South Shore Apartments, Blackstone is stingily refusing to implement adequate safety procedures to protect tenants from having their packages stolen, and from having their cars or car parts stolen. Thieves even went so far as to vandalize the mailbox at the corner of Westline and Shorepoint Court. The result, predictably, was that The U.S. Postal Service simply removed that mailbox. While I am aware that the mailbox is not the responsibility of South Shore Apartments, it is painfully obvious that the thieves are emboldened to attack that particular mailbox because they know that security is lax in the adjoining complex. Why not pilfer the mailbox while the thieves are on the premises doing their routine robbery?

Instead of trying to squeeze their tenants for yet more money, Blackstone should institute adequate security protections so that their tenants can feel some measure of safety. I wonder if the Alameda City Council can be helpful in that regard.

Thank you for your service.

Sincerely, Roberta Schwarz South Shore Apartment resident cell/text: 949-922-3291



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,

Myme Bendet It

Rev. Myrna Bernadel-Huey, Pastor

Lynette Lee, Chair, Buena Vista Community Institute

Dear City Council Members,

My name is Matthew Langwerowski and I have been a renter here in Alameda for fifteen years. I understand that a decision will be made soon regarding broadening the application of CIPs. I am requesting that you not support the broadening the application of the CIPs since this will directly affect my family and community in a negative way. My wife and I do not make a lot of money even though we both work full time jobs. An increase in the usually annual rent increase amount would make it much harder for my family to continue to live in the city of Alameda. As you are aware, the cost of living in the Bay Area is already high which makes it even more difficult for low and middle income families to reside here. My children have friends in Alameda and enjoy attending school at a local Alameda public school and would like to continue to attend their school for several years to come. I understand that landlords have also been affected financially by the pandemic too but passing along any costs for capital improvements to renters would not be fair to renters who are struggling even more financially. Broadening the application of CIPs would also affect the finically diversity that makes the city of Alameda so great.

Sincerely,

Matthew Langwerowski

| From: | Steve Devaney | |
|----------|--|--|
| To: | Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk | |
| Subject: | [EXTERNAL] Capital Improvement Plan (CIP) | |
| Date: | Tuesday, November 28, 2023 8:14:10 AM | |

I've rented in Alameda for nearly 20 years now. I am writing you to voice my opinion against CIP because it lets landlords bypass rent control, and as a single father (currently unemployed with two kids) CIP would decimate my family.

Please consider those of us who are trying their best, but still struggling.

Best, Steve Devaney 101 Crolls Garden Court Alameda, CA 94501 510-290-9955



Urgent Action Alert! DEMAND AN END TO OUT-OF-CONTROL CIP RENT INCREASES City Council Meeting on Tuesday, 11/21/23 at 7:00 pm

The City of Alameda is once again planning to revise the 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.*

ARC continues to oppose CIP, 100%, and renters across the board gave the City Council a big NO to CIP in any form, because CIP lets landlords bypass rent control.

The City Council passed a new CIP ordinance on 10/25/23 with a three-vote majority, that limited CIPs to properties with 2 to 4 units. When it came time to confirm that vote, however, the Council decided to reopen the discussion instead. Specifically, Councilmember Tracy Jensen pulled the new CIP legislation from the Consent Calendar, which can lead to further revisions.

At the upcoming City Council meeting on November 21st, there will be a discussion to broaden the application of CIPs from 2 to 4 unit properties to larger multiple-unit properties, vastly increasing the impact of CIP on renters in Alameda.

Please come to the City Council <u>this coming Tuesday at 7:00 pm, November 21st</u> —or— write to the Council, to voice your opposition.

Stop these anti-rent control efforts in their tracks!

You can follow the Tuesday, 11/21/23 meeting online at: https://www.alamedaca.gov/GOVERNMENT/Agendas-Minutes-

Announcements

or attend at: City Hall Council Chambers, 3rd Floor, 2263 Santa Clara Ave.

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

https://alamedaca-gov.zoom.us/webinar/register/WN_erP-XPEYSxyCexIUe21bnw#/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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Want to change how you receive these emails? You can <u>update your preferences</u> or <u>unsubscribe from this list</u>. November 27, 2023

Dear Mayor and Councilmembers,

I hope this communication finds all of you well.

I urge you to take into account the many voices of local residents who have been and will be adversely affected by Big Real Estate Investment Firms and their Capital Improvement Plans. It is the responsibility of property owners such as Blackstone and other Big Real Estate Investment firms to use rental income to enhance and up-keep their properties rather than subjecting renters to pay additional monies for those up-keeps. Tenants are not owners thereby will not receive any profits that property owners continue to receive.

I would ask all council members to reflect and ask yourselves, "Would you continue to support Big Real Estate Investment Firms by paying the cost of their Capital Improvement plans if the costs leads to unaffordable housing that impacts you, your family members, friends, co-workers, and those you do not know?" And can you live with adverse decisions that you make?

Consideration should be given to implementing policies that prioritize affordable housing, community development, and the preservation of our unique local identity without reservation on how the city should accommodate the Big Real Estate Investors. It is really sad how the phrase "The Haves and The Have Nots" continue to play the role of an **uneven playing field** in which, the basic principles for most Humans regarding affordable housing, food, and Medicines are continuously sheltered for only those who can afford to pay Big Corporations.

Your thoughtful attention to this matter is crucial in ensuring that our community continues to thrive and remains a place where everyone can afford to live. Otherwise, residents will seek other cities to relocate to that believe in residents receiving the basic human rights of Affordable Housing.

Respectfully submitted,

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: | diane appelbaum |
|----------|---|
| To: | Tracy Jensen |
| Cc: | Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Malia Vella; Yibin Shen; Lara Weisiger; City Clerk |
| Subject: | [EXTERNAL] Procedures around CIP |
| Date: | Sunday, November 26, 2023 8:21:05 PM |

Dear Councilmember Tracy,

Thanks so much for the photos of our group at Mia Bonta's Award ceremony, along with your November 16 email commending the work of the South Shore team *to protect renters in multi-unit buildings from egregious pass through fees.* I agree with you; this has had a very positive impact on the community. Although we were advocating for the elimination of CIP entirely, the vote on October 25 served to protect the majority of Alameda renters from having to pay for landlord capital improvements.

I know you to be a supporter of tenant rights, which is why I was confused about your statements in the City Council meeting last week (11/21), and your decision to withdraw your vote from the motion that passed on 10/25. The interchanges in the meeting were pretty vague, so I am seeking some clarification.

You said you had concerns about the *equity of the ordinance* and wanted the item to come back to Council so that certain *additional issues can be addressed.* I'm not clear about what you meant: equity for whom, and what additional issues? You also talked about needing more *public discussion.* That last concept seemed strange, since there has been **so much** public discussion around CIP during the past 7 months. Specifically, the Rent Program held public, community meetings for landlords and tenants on May 1 and August 28. CIP was an agenda item on May 1, May 11, June 6, July 18, and Oct 25, with public commentary and lots of public correspondence directed to City Council and included as attachments to the agendas. Also, during 2021-22, there were numerous Council meetings around CIP - all available on video to review.

I wonder why your concerns couldn't have been discussed further in the 11/21 Council meeting. With so much input from the public available, what further clarity is expected when CIP is re-agendized in just 10 days? Not knowing more about your thoughts and intentions, I can only speculate about several scenarios.

- One would be that Alameda landlords and realtors have suddenly become aware of CIP, and now want to make their case for allowing CIP (even though they've been fairly dormant in past months, and there have been only a handful of CIP applications in the past 3 years!)

- Another possible scenario (which I hope you are considering) is that

you'd like to revisit Option B, eliminating CIP altogether. Perhaps the article I shared about Blackstone buying up small properties helped to further inform you about the insidious nature of the housing market, and how citizens are getting priced out of their homes. In my opinion, eliminating CIP altogether would be the most equitable, groundbreaking decision for all residents of Alameda.

I would appreciate if you can clarify your reasons for interrupting the passing of the CIP proposal that was voted on in October. And please let me know if I, or any of the South Shore team, can provide any further resources or information.

Warm regards, Diane Appelbaum Mayor Marilyn Ezzy Ashcraft

Vice Mayor Tony Dasog

Councilmember Malia Vella

Councilmember Trish Herrera Spencer

Councilmember Tracy Jensen

November 21, 2023

RE: Continuation of Capital Improvement Plan (CIP) Policy discussion

Dear Council Members,

I am very surprised that a Council member pulled the CIP item. I wonder what her motivation was?

I am a long-time Alameda resident and a person of color retiring in a matter of months. I just received the Rent Program's Annual Information Letter notifying landlords primarily which is always unsettling for fixed or low-income people. I am a native of Alameda from a military family and have many family members who went through Alameda schools over the decades.

I am also a tenant advocate who believes that people have a human right to housing. We are seeing such a high rate of homelessness in California because elected officials haven't prioritized housing or taken their responsibility to facilitate prevention of homelessness.

As I get older, I know that people like me will be more vulnerable to the rapidly rising cost of housing and lack of social and shelter protection for all those of us who are low income, fixed income, no income, people of color. It is embarrassing to all of us that visitors from other places question why there is so much homelessness in Alameda and Alameda County. It is not the job of the homeless or low-income persons to leave their homes in order to provide a profit to greedy landlords or realtors. It is the job of elected officials to take care of it's population for basic housing.

This discussion, debate, or manipulation of such an important topic as the CIP policy during Thanksgiving week seems underhanded, inappropriate and corrupt. I question the behavior of the council person who created this problem.

I voted for those council members who made Alameda's Rent Control happen. I urge you to have clear, conscientious priorities to protect Alameda residents. Your decision has real, urgent financial impact on poor, low-income people of color, unemployed, underemployed, disabled and elderly and sick people. Renter are over 50 percent of Alameda. Please do not allow a negative spiraling of poverty to happen to renters.

Sincerely,

Diana Cabcabin

| From: | Jason Buckley |
|----------|---------------------------------------|
| To: | <u>CityCouncil-List</u> |
| Subject: | [EXTERNAL] NO CIP |
| Date: | Tuesday, November 21, 2023 3:38:00 PM |

Dear council members,

I can't believe I still have to write to you all about this, but alas, here I am just days before Thanksgiving and during the busiest time of the year at my job, urging you not to allow for any kind of Capital Improvement Passthrough to tenants. It effectively just gets around the rent control that you passed (seriously thank you again for that! It's been the only thing keeping my family in this community, possibly even this state). It's unfair to expect tenants to add equity to property they do not own. A 100% passthrough is particularly egregious. And tenants living in smaller properties should not be penalized because their landlord is supposedly less likely to be able to maintain their own investments. These last few years have been really hard. Homelessness is out of control. And giving landlords a loophole to get around rent control will only displace more of our most vulnerable community members.

Also, on a separate note, please continue to ignore that racist clown, Brian Kenedy, and his nonstop white supremacist nonsense about immigrants. I've been told he does not even live here.

Thank you, Jason Buckley



Virus-free.<u>www.avg.com</u>

| From: | Laura Woodard |
|----------|--|
| То: | <u>CityCouncil-List</u> |
| Subject: | [EXTERNAL] Please don"t approve a 100% CIP pass-through! |
| Date: | Tuesday, November 21, 2023 3:04:53 PM |

Dear Honorable Mayor Ezzy Ashcraft and Council Members,

I would be at City Hall this evening for the momentous CIP decision if it weren't taking place during the holidays when many Alamedans are away.

I rent a very small unit in a 3-unit property. I've been anxious and disturbed since learning of Council's vote to allow 100% pass-through fees for tenants in small properties. Please reconsider making any tenant pay this much.

I just received the Rent Program's letter notifying me that I'm eligible for a \$192 rent increase. Imagine adding a significant pass-through fee on top of that monthly cost. Most tenants' income won't keep up with such increases. Between banking and CIP, the rent cap is severely undermined.

I'm sure the Council is aware of the eviction crisis currently taking place in Alameda County courts. Any undue financial burden on tenants will further contribute to homelessness. Please help prevent further suffering in this housing crisis and reconsider any CIP pass-throughs higher than 50%.

Sincerely, Laura Woodard

| From: | Jeanne Nader |
|----------|--|
| То: | Marilyn Ezzy Ashcraft; Tony Daysog; Malia Vella; Trish Spencer; Tracy Jensen; City Clerk |
| Subject: | [EXTERNAL] Written Comment on Item 6-A 11/21 Council Meeting Agenda |
| Date: | Tuesday, November 21, 2023 2:04:03 PM |

Dear Mayor and City Council Members,

I am reaching out to voice my opposition to changing the current ordinance on CIP to include a larger number of rental units. Passing the CIP onto tenants' negates the City's previous rental protections. As you well know, most of the larger apartment buildings are owned by real estate investment companies who have ample means to maintain and improve the buildings. The CIP is onerous, egregious and completely one-sided in favor of companies who are commodifying housing.

Please stand with renters - who make up nearly 50% of our city. Expanding CIP threatens to force people out of their homes, many of whom have lived on the island for years, raised their kids here and contributed greatly to our community. Remember, we're the city that proclaims - Everyone is Welcome Here.

Don't backtrack on the gains we've made to protect our fellow Alamedans.

Sincerely,

Jeanne Nader 305 Spruce St., Alameda

| Anne Beavers |
|---------------------------------------|
| City Clerk |
| [EXTERNAL] NO to cip rent increases |
| Tuesday, November 21, 2023 7:29:42 AM |
| |

Dear Alameda Council Members,

I am writing to once again ask to to consider eliminating capital improvement passthroughs in the city of Alameda. I am disappointed to hear that the compromise that was reached at the last meeting has potentially broken down. This goes against the wishes of every Alamedans who spoke at the last meeting. It is clear that the vast majority of Alamedans do not want capital improvement passthroughs of any kind, and yet it continues to be considered by the council.

I 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 improvement passthroughs 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.

Sincerely, Heather Polley

| From: | Andrew Santos |
|----------|--|
| То: | City Clerk; Marilyn Ezzy Ashcraft; Malia Vella; Tony Daysog; Tracy Jensen; Trish Spencer |
| Subject: | [EXTERNAL] Opposition to CIP policies |
| Date: | Monday, November 20, 2023 5:04:45 PM |

Dear Alameda City Council members,

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

I continue to oppose 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 Tuesday.

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

Sincerely, Andrew

| From: | Cheri Stryker |
|----------|--|
| То: | <u>CityCouncil-List</u> |
| Subject: | [EXTERNAL] Capital Improvement Pass-Through Plan |
| Date: | Monday, November 20, 2023 4:55:41 PM |

A combination of chronic illness and long term injury have left me basically housebound, so I shall send my thoughts this way:

This is the most unethical and blatant cash grab I have YET seen in Alameda politics. Far too many property owners and their managers view tenants as merely a necessary evil to keep the money flowing, instead of actual human beings that they are offering to house, and they expect "their" property to be maintained in pristine state. Allow me to illustrate my thought: when one invests in real estate, one takes on certain risks. The maintenance of one's investment is solely the responsibility of the investor. If the investor chooses not to have earthquake insurance, for example, it is not the tenants' responsibility to insure the entire building. When one invests in property, one must accept that it will eventually run down. The passage of time will bring its own destruction. Fighting entropy and maintaining value on the investment is again the responsibility of the investor. It is in no way the responsibility of the tenants. It is unreasonable to expect the tenants to support the improvement and maintenance of someone else's investment. The ONLY improvements tenants should be expected to fund are things that they get a say in. If this plan succeds, a hypothetical tenant that has been working multiple jobs, doing without, for YEARS, to try to save up to secure a home for their family should not have to choose between their savings and whatever "improvement" (which I consider different from repairs and maintenance, which a tenant should not be billed for if they were not at fault) the owner wishes to make. Thank you for your time.

Cheri Stryker, B.A. Communications

Dear Bill,

I do not understand why the CIP pass through is not included in the rental amount going forward?? Keep in mind I have already lost $81.71 \times 2 \times 24$ months = 3,922.08 due to Alameda's overly punishing rules towards landlords from April, 2020 to June, 2022. I believe it was the strictest in the entire state of California.

Leslie Shubin Sent from my iPad

On Nov 20, 2023, at 2:08 PM, Rent Program <rentprogram@alamedaca.gov> wrote:

Dear Leslie,

To update you, we have updated the registry as discussed in your 11/2 email below. So just to be clear and to close this matter:

For Unit 3: The Rent Program has processed the increase from \$1,884.52 to \$2,072.97 as a \$106.74 rent increase to \$1,991.26 (the 2.9% AGA plus an ~2.8% banked rent increase) plus the full CIP pass through of \$81.71.

For Unit 4: The Rent Program has processed the increase from \$1,785 to \$1,963.50 as a \$96.79 rent increase to \$1,881.79 (the 2.9% AGA plus an ~2.5% banked rent increase) plus the full CIP pass through of \$81.71. Please keep in mind that the current rents, not including the CIP pass through, are now \$1,991.26 and \$1,881.79, respectively. The next rent increase must be made by applying the AGA to these amounts, then the CIP pass through may be added to the result, subject to local and state limits. Again, I strongly recommend that you check in with the Rent Program before noticing the tenants of their next rent increases so staff can verify that they meet current regulations.

Regards, Bill Chapin Rent Program Director

City of Alameda Rent Program www.alamedarentprogram.org ph: (510) 747-7520 | rentprogram@alamedaca.gov



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: leslie shubin <lshubin@yahoo.com> Sent: Thursday, November 2, 2023 5:37 PM To: Rent Program <rentprogram@alamedaca.gov> Subject: Re: [EXTERNAL] Fwd: Rent Increase

Dear Bill,

Thank you for responding in such a clear manner. My intention was to achieve the highest possible rent increase without exceeding 10% as we discussed in person a few weeks ago. I wanted to use the entire \$81.71 and reduce the 5.9% to wherever it would achieve the total of \$2,072.97 and \$1,963.50. Even with this increase, both rents are under market by \$250-\$300 each. With lagoon views and all utilities included I am a very generous landlady.

As the saying goes, no good deed will go unpunished. For my generous rental package I have been paid back by two colluding back stabbing tenants. It sounds harsh but it is true. I have been in this business since 1987 (for other owners before I owned my own property) and I have never had such sneaky and mean tenants in 36 years!

the formula I used was to multiply the current rent by 5.9%, then add \$81.71. I then took the current rent and multiplied that number by 110%. I subtracted the difference from the first formula to arrive at a 10% increase,, ergo: \$1,963.50 and \$2,072.97..

I am truly exhausted from this process. I want to finish and move on with the rest of my life and I know you have spent a lot of time and want to be done also.

Thank you kindly for your attention to the final details.

Sincerely,

Leslie Shubin

On Nov 2, 2023, at 5:14 PM, Rent Program <<u>rentprogram@alamedaca.gov</u>> wrote:

Dear Leslie,

To be clear, on Oct. 12, 2023, you notified the tenant of Unit 3 that her rent was increasing from \$1,884.52 to \$2,072.97, a 10.0% increase. Although you did not specify it in your notice, based on our previous correspondence, the Rent Program has processed this as a 5.9% rent increase (the maximum amount allowed by the City's banking regulations) to \$1,995.71 plus a CIP pass through of \$77.26. Although the approval of your CIP entitled you to a maximum monthly pass through of \$81.71, our understanding is that you have elected to take a smaller CIP pass through for the next 12 months in order to limit the total increase to 10.0%.

The only other way to achieve this would be to use less of your banked amounts, e.g. a 5.7% rent increase to \$1,991.26 plus the maximum CIP pass through of \$81.71.

<u>Please clarify what you intended.</u> The Rent Program will be glad to update our records for Unit 3 to show a new rent of anything between \$1,991.26 and \$1,995.71, with the difference made up of a CIP pass through ranging from \$77.26 to \$81.71, as necessary to achieve a total of \$2,072.97.

Similarly, on Oct. 12, 2023, you notified the tenant of Unit 4 that her rent was increasing from \$1,785 to \$1,963.50, a 10.0% increase. Although you did not specify it in your notice, the Rent Program has processed this as a 5.9% rent increase to \$1,890.32 plus a CIP pass through of \$73.18. <u>Please clarify what you intended.</u> The Rent Program will be glad to update our records for Unit 4 to show a new rent of anything between \$1,881.79 and \$1,890.32, with the difference made up of a CIP pass through ranging from \$73.18 to \$81,71, as necessary to achieve a total of \$1,963.50.

Finally, allow me to reiterate that the Rent Program reviews rent increases for compliance *only with local law*. My previous email was intended to verify that we have found, based on the information presented to us at this time, the rent increases you gave your tenants on Oct. 12 are, in fact, in compliance with local law. We cannot verify for you whether they are in compliance with state law, including AB 1482's current 9.2% cap and other noticing requirements that may apply, nor can we offer you legal advice about your rights and responsibilities under state law.

Once you have clarified the rent increase amounts, I sincerely hope the

Rent Program has no need for further involvement in this matter. If any of this is not clear, please call me directly tomorrow at 510-747-7521.

Regards, Bill Chapin Rent Program Director

City of Alameda Rent Program www.alamedarentprogram.org ph: (510) 747-7520 | rentprogram@alamedaca.gov <image001.png> 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: leslie shubin <leslie with a state of the stat

Dear Bill,

I am furious. I believe you are trying to sabotage my business. You are quite mistaken. I most certainly did tell you that I wanted the whole Capital Improvement amount of \$81.71 applied. It is in one of my emails and I said it to you in person when we met in your lobby. You showed me the numbers that you said were in compliance with Alameda Rent Program in person in your lobby. You told me that you did not enforce state rules which would limit my increase to 9.2% rather than 10%. You need to fix this immediately to include the whole 81.71. If you are now changing your mind about enforcing state law then the increase I am entitled to is \$1,884.52 x 105.9% = \$1,995.70 + 81.71 = \$2,077.41 - \$19.51 = \$2,057.90 (9.2% of \$1,884.52) for Apt.3 and \$1,785 x 105.9% = \$1,890.32 + \$81.71 = \$1,972.03 - \$22.81 = \$1,949.22 for Apt. 4 (9.2% of \$1,785). You spelled it out in an email and now you must stand behind it.

You have had my papers for 20 days and you pull this trick on me now? Why do you hate me so much? If rules have changed regarding capital improvement amounts I should be grandfathered in since you approved my increase back in November, 2021. I have already lost 24 months of that increase. You really do have a vendetta against me and have been persecuting me and punishing me over and over. Also the

rent program does not say 24 months. It spells out no two consecutive years for banked increases.

I demand that you amend your numbers to align with the numbers above which is exactly what you sent me in one of your last emails. Why on earth would an intelligent person like yourself think that I did not want the capital improvement amount used after waiting for two years. Be fair with me.

Leslie Shubin

Sent from my iPad

On Oct 31, 2023, at 12:21 PM, Rent Program <<u>rentprogram@alamedaca.gov</u>> wrote:

Dear Leslie,

The rent increases you submitted for Units 3 and 4 have been processed and the Rent Registry has been updated.

To be clear, because you did not inform us otherwise, we have processed both of theses notices as maximum banked rent increases of 5.9% plus a reduced CIP pass through. This means that the current rent for Unit 3 has been registered as **\$1,995.71** (\$1884.52 increased by 5.9%) and the current rent for Unit 4 has been registered as **\$1,890.32** (\$1785 increased by 5.9%). The next rent increase that you impose on these units should be based on applying the AGA *to these amounts.* You may then add up to \$81.71 in CIP pass throughs so long as the total meets any caps under local and state law.

Please note that the rules for banked rent increases include a restriction that prohibits a landlord from imposing a banked rent increase in consecutive years. This means that, even though you still have some amounts banked for both units, future increases may not exceed the AGA plus CIP pass through for at least 24 months after the effective date of the pending rent increases.

I do strongly advise you to reach out to the Rent Program prior to issuing any subsequent rent increase notices for these units so that staff can verify that the notices would be in compliance with local law. I know that you attempted to do so this past February, and the Rent Program's transition from the Housing Authority to the City Attorney's Office meant your message was not received. That was due to a one-time change in contact info that should not be an issue in the future. You should always be able to find and verify our contact info at <u>https://www.alamedarentprogram.org/Contact-Us</u>.

Lastly, just a final reminder that the Rent Program has only reviewed these increases for compliance with local law. There are additional rent increase notice responsibilities under state law. Failure to comply with state law may render a notice null and void. The Rent Program does not offer legal advice about your rights and responsibilities under state law.

Regards, Bill Chapin Rent Program Director

City of Alameda Rent Program www.alamedarentprogram.org ph: (510) 747-7520 | rentprogram@alamedaca.gov <image001.png> 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: leslie shubin <<u>lshubin@yahoo.com</u>>
Sent: Thursday, October 12, 2023 10:23 AM
To: Catherine Erbland <<u>cerbland@yahoo.com</u>>; Rent Program
<<u>rentprogram@alamedaca.gov</u>>
Subject: [EXTERNAL] Fwd: Rent Increase

Sent from my iPad

Begin forwarded message:

From: leslie shubin <<u>lshubin@yahoo.com</u>> Date: October 12, 2023 at 10:18:24 AM PDT To: Catherine Erbland <<u>cerbland@yahoo.com</u>> Subject: Rent Increase

Dear Cathy,

Your rent will increase from \$1,884.52 per month to \$2,072.97 per month effective 30 days from now, November 11, 2023. For November you will pay 1/3 of \$1,884.52 (\$628.17) for November 1-10 and 2/3 of \$2,072.97 (\$1,381.98) for November 11-30, a total of \$2,010.15. Your rent is not due until November 11. You will resume paying on the 1st of the month in December.

Please note that your new rent is lower than the approved amount by the Rent Program. I am mailing a hard copy of this notice along with form RP-203.

Leslie Shubin

Sent from my iPad

| From: | Kimberly Tyda |
|--------------|--|
| То: | Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk |
| Subject: | [EXTERNAL] CIP agenda item |
| Date: | Monday, November 20, 2023 11:54:59 AM |
| Attachments: | Council Letter.docx |

Mayor and Councilmembers,

I oppose broadening the application of the CIP's to additional property sizes. Given the minimal notice provided to residents about this change to the agenda item and given that the holiday week makes it difficult for many residents to attend and speak on Tuesday, I ask that the council move further discussion and the final vote on this item to after the Thanksgiving holiday.

Please see my attached letter.

Thank you,

Kimberly Tyda

Dear Mayor and Council Members,

It has been brought to my attention that the council has pulled the CIP legislation approval from the consent calendar and has added it to the discussion agenda, for potential revisions which may broaden the application of the CIP program to properties over four units in size. This proposed change has the potential to negatively impact a substantial number of renter households in the city.

I find it very problematic that the council chose to make this change to the November 21st meeting with little notice, particularly given that the meeting falls on the Thanksgiving holiday week, when many people may be traveling out of the area and unavailable to attend the meeting to speak on the issue. At minimum, council should have waited until after the holiday to allow those who wished to attend to do so. It appears that council wanted this action to fly under the radar, hoping we would not be aware and/or be unable to attend Tuesday's meeting. **Therefore, I ask that the council NOT hold a final vote on this issue until after the holidays.**

As stated in my previous correspondence on this issue, the revised CIP plan will make housing more expensive for already cost-burdened tenants, undermining the stabilizing impact of Alameda's rent control laws. CIP passthroughs may be applied multiple times throughout a tenancy, as often as every other year. These additional passthroughs on top of annual rent increases will make housing more and more unaffordable for renters. Why should tenants living in larger properties receive protections that other tenants do not? Tenants living in small to mid-size properties 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**.

Some councilmembers who support the use of CIP for small to mid-size properties argued that it would help keep the properties in the hands of small landlords and prevent corporate landlords from scooping up those properties. This argument is entirely speculative, and no evidence was provided to support it. Allowing landlords to put the cost of major repairs on the backs of their tenants does nothing to prevent corporate landlords from acquiring those properties.

Landlords should cover their own investments. Many tenants live in buildings that have not been properly maintained, even though we pay our landlords tens of thousands of dollars in rent every year. Why should tenants have to pay for upgrades and repairs to things that have sat it state of disrepair for years? **CIP puts Alameda's** renters in the position of having to pay for pricey repairs and property improvements which should be covered by landlords, USING THE RENT WE ALREADY PAY THEM!!!

Thank you, Kimberly S. Tyda, Alameda Tenant and Advocate

² https://nlihc.org/oor

¹ <u>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</u>

| From: | <u>Tyra Lewis</u> |
|----------|--------------------------------------|
| То: | <u>CityCouncil-List</u> |
| Subject: | [EXTERNAL] Concern Alameda Tenant |
| Date: | Monday, November 20, 2023 9:18:24 AM |

Honorable Mayor, Vice-Mayor and Members of City Council:

I am an Alameda tenant. Alameda tenants urgently need an emergency moratorium on Capital Improvement Plan (CIP) pass-throughs for ALL tenants, in ALL rental properties. CIP pass-throughs threaten tenants with displacement and should be regulated by rent control.

As the corporate owners of South Shore Apartments await approval of a CIP for up to \$24 million, South Shore tenants face having to pay for these improvements in the same year that many tenants are receiving banked rent increases. Some of these tenants live in non-habitable conditions. This must be stopped for South Shore tenants, and not be allowed to happen to tenants city-wide.

Current CIP policy puts property owners in a position to attract new renters at market rate to take the place of tenants who can't afford the additional payments. In this case, the CIP will be a gift to Blackstone, Inc., one of the largest real estate investors in the world.

Please don't let South Shore and tenants city-wide face displacement by a flawed CIP policy that demands a major review by the City Council. We need an emergency moratorium on CIP pass-throughs now, for all rental properties city-wide, including especially the South Shore Apartments.

Thank you for your attention to this urgent matter.

Miss Lewis

| From: | jansantos595@gmail.com |
|----------|--|
| То: | Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella; City Clerk |
| Subject: | [EXTERNAL] ARC continues our opposition to CIP. |
| Date: | Sunday, November 19, 2023 12:33:56 PM |

Hello Mayor and City Council,

ARC continues to oppose CIP in any form. We're disappointed that council has ignored a hundred percent renter opposition to CIP. Please change your decision and vote down CIP in your reconsideration at your Nov. 21 2023 meeting. Renters make up over 50% of Alamedans . Landlords are responsible for providing safe and habitable housing, and maintaining their property, not the tenants who don't share in property investments.

Jan Santos

On behalf of Alameda Renters Coalition Steering Committee

| From: | Alameda Native History Project |
|--------------|---|
| То: | CityCouncil-List; City Clerk |
| Subject: | [EXTERNAL] Agenda Item 2023-3428 |
| Date: | Wednesday, October 25, 2023 5:03:51 PM |
| Attachments: | 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.

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

- 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.
- 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,

/s/ Gabriel Duncan 10/25/2023

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

Page 3 of 3

| From: | Trish Spencer |
|----------|---|
| То: | Lara Weisiger |
| 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

| From: | Trish Spencer |
|----------|---|
| То: | Lara Weisiger |
| 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

From:Trish SpencerTo:Lara WeisigerSubject:Fwd: [EXTERNAL] CIPDate: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

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: | Liz Williams |
|----------|---|
| To: | amullins00 |
| 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 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: | Malia Vella; Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen |
| Cc: | Lara Weisiger |
| 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 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: 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 |
|----------|--|
| То: | 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: | Kimberly Tyda |
|--------------|--|
| То: | 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 <u>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</u>

² <u>https://nlihc.org/oor</u>

| From: | <u>Tamika</u> |
|----------|--|
| То: | Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella |
| Cc: | <u>City Attorney;</u> <u>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 |
|----------|--|
| То: | 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> |
|----------|--|
| То: | 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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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 |
|----------|--|
| То: | 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,

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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: | Trish Spencer |
|----------|--|
| To: | Lara Weisiger |
| 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 <MEzzyAshcraft@alamedaca.gov>,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</u> <u>Celebration</u> on Nov 8th! Join us in person at Nido's or online!

"Remember who you are and what you represent."-- Mills College motto

"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: | diane appelbaum |
|----------|--|
| То: | 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 <u>"Costs of Operation does not include</u> <u>"Debt Service," depreciation or "capital Improvements"</u> 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, <u>which does not include capital</u> <u>improvements</u>. 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. 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: | <u>metrodesk@sfchronicle.com; editor@alamedasun.com; newstips@fox.com; newsdesk@kpix.com; Alameda</u> 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.

sf.gov

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

Sincerely,

Cheryl Kettell

| From: | Ismael Matos |
|----------|--|
| То: | 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: | <u>CityCouncil-List</u> |
| Cc: | <u>Margaret Spilman</u> |
| 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



| From: | Eric Kozak | |
|----------|--|--|
| То: | 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.

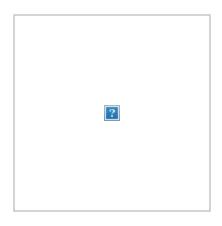
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| From: | Steven Zegas | |
|----------|--|--|
| То: | Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella; City Clerk | |
| Subject: | [EXTERNAL] Re: CIP vs. FAIR RETURN Policy | |
| Date: | Thursday, October 19, 2023 1:36:17 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 <<u>alamedarenterscoalition@gmail.com</u>> 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 <u>6:00 pm</u> (*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-

<u>Announcements</u>

or attend at: City Hall Council Chambers, 3rd FIr, 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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Our mailing address is: Alameda Renters Coalition P.O. Box 6549 Alameda, CA 94501

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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,

Myna Banadilfen,

Rev. Myrna Bernadel-Huey, Pastor

welle Lee

Lynette Lee, Chair, Buena Vista Community Institute

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:Trish SpencerTo:Lara WeisigerSubject:Fwd: [EXTERNAL] Capital Improvement programDate: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 <u>Outlook for Android</u>

| From: | ERIC RAFE |
|----------|---|
| To: | <u>CityCouncil-List</u> |
| 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 |
|----------|---------------------------------------|
| То: | 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: | CityCouncil-List; Rent Program |
| 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 <haruko02@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

Dear City Council Members,

Time is closing in for this great city to finally 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 styledplayground 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: | diane appelbaum |
|-----------------|--|
| То: | Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella |
| Cc: | <u>City Attorney;</u> <u>City Clerk</u> |
| Subject: | [EXTERNAL] Important Information California Apartment Association |
| Date: | Tuesday, October 3, 2023 6:21:46 PM |
| Cc: Subject: | City Attorney; City Clerk [EXTERNAL] Important Information California Apartment Association |

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 work-shops 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.

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

| Roberta Schwarz |
|--|
| Marilyn Ezzy Ashcraft; Tony Daysog; Tracy Jensen; Trish Spencer; Malia Vella |
| Roberta Schwarz; City Attorney; City Clerk |
| [EXTERNAL] Eliminate CIP |
| Saturday, September 30, 2023 11:35:35 AM |
| 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 <u>reschwarz@sbcglobal.net</u>

| From: | Bill Chapin |
|--------------|---|
| To: | <u>City Clerk</u> |
| 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

chapin@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 <<u>dappelbaum2002@yahoo.com</u>> 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://eastbavexpress.com/wall-street-comes-to-alameda-2-1/

Best, Diane

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

www.alamedarentprogram.org

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



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 <<u>dappelbaum2002@yahoo.com</u>>
Sent: Tuesday, August 22, 2023 10:31 PM
To: Bill Chapin <<u>bchapin@alamedaca.gov</u>>; Ryan Halpern <<u>rhalpern@alamedaca.gov</u>>
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: | Bill Chapin on behalf of Rent Program |
|----------|---|
| То: | <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 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.

 \cdot 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.

 \cdot 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.

 \cdot 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.

 \cdot 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.

 \cdot 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.

 \cdot 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.

 \cdot 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.

 \cdot CIP sends the message that peoples' homes are "business first." Alameda should be welcoming.

 \cdot 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.

 \cdot 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 |
|----------|---|
| То: | <u>CityCouncil-List</u> |
| 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: | <u>Gloria</u> |
|----------|--|
| То: | <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: | <u>Gloria</u> |
|----------|--|
| То: | <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: | CityCouncil-List; Rent Program |
| Cc: | <u>koyama Haruko</u> |
| 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