

CITY OF ALAMEDA ORDINANCE NO. \_\_\_\_\_

New Series

AMENDING THE ALAMEDA MUNICIPAL CODE BY ADDING ARTICLE XIII TO CHAPTER VI OF CONCERNING THE REVIEW OF RENT INCREASES, AND ADDING SECTION 2-23 TO ARTICLE II CONCERNING THE CREATION OF A RENT REVIEW ADVISORY COMMITTEE

WHEREAS, there is a strong demand for rental housing in the City of Alameda which demand may result in a shortage of rental housing; and

WHEREAS, such shortage may result in an imbalance of bargaining power between housing providers and tenants; and

WHEREAS, when housing providers have informed tenants about a rent increase, when that rent increases has worked a financial hardship on the tenant and when the tenant and his/her housing provider have been unable to work out a satisfactory arrangement concerning the rent increase, the City has had in place for a number of years a committee of residents representing housing providers and tenants that provides a process in a neutral forum for a tenant to voice a concern about the rent increase, and through which process the committee may make a non-binding recommendation to the housing provider and the tenant concerning the rent increase; and

WHEREAS, the availability of this process may not be well known in the tenant community; and

WHEREAS, this process provides a fair and reliable process to resolve disputes concerning rent increases; and

WHEREAS, in order for the process to be effective, it is essential not only that a housing provider provide written notice of this process to the tenant (which currently is not required) but also that the housing provider and the tenant both participate in the process; and

WHEREAS, it is important that a tenant be protected from retaliation for utilizing this process; and

WHEREAS, it is important to monitor and improve on a periodic basis the processes established in this Article; and

WHEREAS, the City Council finds and determines that the health, safety and general welfare of Alameda will be served by adoption of this ordinance; and

WHEREAS, although there has been in existence for some time a Rent Review Advisory Committee, that Committee has neither been created by Ordinance nor its duties well defined; and

WHEREAS, the City Council is desirous of creating this Committee by Ordinance, establishing the member's terms of office and better defining its duties and responsibilities.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Alameda as follows:

Section 1. Article XIII is hereby added to Chapter VI of the Alameda Municipal Code to read as follows:

**“Article XIII. Rent Review**

**6-56.1 Short title and Applicability of the Ordinance.**

This ordinance shall be known as the Rent Review Ordinance. It shall apply to all Residential Property in the City except (i) housing units the rents of which are regulated by federal law or by regulatory agreements between a Housing Provider and the City, the Housing Authority of the City of Alameda or any agency of the State of California or (ii) housing units that are rented or leased for 30 days or less.

**6-56.2 Definitions**

Unless the context requires otherwise, the terms defined in this Chapter shall have the following meanings:

- (a) Base Rent. “Base rent” means the rental amount, including any amount paid directly to the Housing Provider for parking, storage or any other fee or charge associated with the tenancy (other than fees or charges for utilities paid directly to the housing provider), that the Tenant is required to pay to the Housing Provider in the month immediately preceding the effective date of the rent increase.
- (b) City. “City means the City of Alameda.
- (c) Committee. “Committee” means the Rent Review Advisory Committee as defined below.
- (d) Community Development Director. “Community Development Director” means the Director of the Community Development Department of the City of Alameda, or his/her designated representative.
- (e) Council. “Council” means the City Council of the City of Alameda.
- (f) Executive Director. “Executive Director shall mean the Executive Director the Housing Authority of the City of Alameda, or his/her designated representative.
- (g) Housing Authority. “Housing Authority” shall mean the Housing Authority of the City of Alameda.
- (h) Housing Provider. “Housing Provider” means any person, partnership, corporation or other business entity offering for rent or lease any residential property in the City and shall include the agent or representative of the Housing Provider if such agent or representative has the full authority to answer for the Housing Provider and enter into binding agreements on the Housing Provider's behalf.

- (i) Party. "Party" means a Housing Provider or Tenant who participates in the rent review program of this Chapter.
- (j) Rent. "Rent" means a fixed periodic compensation including any amount paid directly for parking, storage or any other fee or charge associated with the tenancy (other than utilities) that a Tenant pays at fixed intervals to a Housing Provider for the possession and use of property.
- (k) Rent Increase. "Rent increase" means any upward adjustment of the Rent from the Base Rent.
- (l) Rent Review Advisory Committee. "Rent Review Advisory Committee" means the Committee established under Article II of the Alameda Municipal Code.
- (m) Residential Property. "Residential property" means any housing unit, including a mobile home, offered for rent or lease in the City except for (i) housing units the rents of which are regulated by federal law or by regulatory agreements between a Housing Provider and the City, the Housing Authority of the City of Alameda or any agency of the State of California or (ii) housing units that are rented or leased for 30 days or less.
- (n) Tenant. "Tenant" means any person having the legal responsibility for the payment of Rent for Residential property in the City and shall include the agent or representative of the Tenant if such agent or representative has the full authority to answer for the Tenant and enter into binding agreements on the Tenant's behalf.

### **6-56.3 Notice of Availability of Review of a Rent Increase**

In addition to the notice of rent increase required by Civil Code, section 827(b) and, at the time when a Housing Provider provides such notice to the Tenant, the Housing Provider shall also provide to the Tenant a notice of availability of the rent review procedures established by this Chapter. Any rent increase accomplished in violation of this section of the Ordinance shall be void and no Housing Provider shall take any action to enforce such an invalid rent increase. Any rent increase in violation of this section of the Ordinance shall operate as a complete defense to an unlawful detainer action based on a Tenant's failure to pay any illegal rent increase.

### **6-56.4 Form and Contents of Notice**

All notices of the availability of rent review procedures shall be in writing and shall provide the name, address, phone number and email address of the Housing Provider. The Housing Provider shall either personally deliver the notice to the Tenant or shall mail to the Tenant by first class mail, postage pre-paid, the notice, addressed to the Tenant's Residential Property. Service by mail shall be presumed complete within five days of mailing but the Tenant may rebut that presumption.

### **6-56.5 Text of Notice**

In addition to all other information provided in the notice of availability of rent review established by this Chapter, each such notice shall state:

**NOTICE:** Under Civil Code, section 827(b), a Housing Provider must provide a Tenant with 30 days' notice prior to a rent increase of 10% or less and must provide a tenant with 60 days' notice of a rent increase of greater than 10%. Because the Housing Provider proposes a rent increase or because the Housing Provider proposes a rent increase within 12 months of the immediately preceding rent increase, under Article XIII of Chapter VI of the Alameda Municipal Code, a Housing Provider must at the same time provide this Notice of the availability of the City's rent review procedures before imposing any such rent increase.

If the proposed rent increase is *[IN A PERCENTAGE TO BE DETERMINED]* or greater or if the proposed rent increase is within 12 months of the previous rent increase, you may request the Rent Review Advisory Committee to review the increase by submitting a request for review in writing within seven calendar days of your receipt of the notice of rent increase by personally delivering or mailing the request to the Housing Authority of the City of Alameda, 701 Atlantic Avenue, Alameda, CA 94501, or emailing the request to the Housing Authority of the City of Alameda at [rrac@alamedahsg.org](mailto:rrac@alamedahsg.org). You must submit along with your request a copy of the Notice of Rent Increase.

If the proposed rent increase is less than *[IN A PERCENTAGE TO BE DETERMINED]*, you may request the Housing Authority of the City of Alameda to arrange for a conciliation procedure whereby a neutral third party will meet with the Housing Provider and you for the purpose of arriving at a mutually agreeable resolution concerning the proposed rent increase. You may request the Housing Authority to arrange for this conciliation procedure by submitting a request in writing within seven calendar days of your receipt of the notice of rent increase by personally delivering or mailing the request to the Housing Authority, 701 Atlantic Avenue, Alameda, CA 94501, or e-mailing the request to the Housing Authority at [rrac@alamedahsg.org](mailto:rrac@alamedahsg.org). You must submit along with your request a copy of the Notice of Rent Increase.

You and your Housing Provider will be required either to appear before the Committee for a hearing, or to participate in conciliation procedures (for example, a face to face meeting, a phone conference, etc.) concerning the proposed rent increase. Following the hearing or at the conclusion of the conciliation procedure, if you and the Housing Provider cannot otherwise agree, the Committee or the neutral third party will make a non-binding recommendation to you and your Housing Provider concerning your request.

If you have participated in the conciliation procedure but you and your Housing Provider have not reached agreement on the rent increase, you may request the Rent Review Advisory Committee to review the rent increase as set forth in paragraph 2 of this Notice. You must make this request within seven calendar days following the conciliation procedure.

**It is illegal for a Housing Provider to retaliate against a Tenant for lawfully and peacefully exercising his or her legal rights including your request for the Committee or a neutral third party to review the rent increase. Civil Code, section 1942.5. A Housing Provider's efforts to evict a Tenant within six months of a Tenant's requesting a hearing or requesting a conciliation procedure will be deemed a retaliatory eviction.**

#### **6-56.6 Request for Rent Review**

- A. A Tenant may request the Committee to hear a proposed Rent Increase when the Housing Provider proposes to increase the Base Rent by more than *[IN A PERCENTAGE TO BE DETERMINED]* or proposes to increase the Base Rent within 12 months of the immediately preceding Rent Increase.
- B. A Tenant may request the Housing Authority to arrange for a conciliation procedure whereby a neutral third party will review and discuss with the Housing Provider and the Tenant the proposed Rent Increase when the Housing Provider proposes to increase the Base Rent equal to or less than *[IN A PERCENTAGE TO BE DETERMINED]*.
- C. The Tenant requesting review must within seven calendar days of the Tenant's receipt of the notice of Rent Increase either (a) deliver, mail or e-mail the written request for review to the Housing Authority or (b) call the Housing Authority and request a review. In either event, the Tenant must submit a copy of the Notice of Rent Increase.
- D. If a Tenant has participated in the conciliation procedure but has not reached agreement with the Housing Provider concerning the Rent Increase, a Tenant may request the Committee to review the Rent Increase by, within seven calendar days following the conciliation procedure, either (a) delivering, mailing or e-mailing a written request for review to the Housing Authority or (b) calling the Housing Authority and requesting a Committee review.

#### **6-56.7 Notice to Parties**

- A. After determining the a proposed Rent Increase meets the criteria for the Committee to review the Rent Increase, the Executive Director shall schedule a hearing and provide notice to the Housing Provider and the Tenant of the hearing date, time and location at least seven calendar days prior to the hearing date. The hearing date shall be scheduled at the next regularly scheduled meeting of the Committee (which shall schedule meetings monthly) unless the Housing Provider and Tenant consent to a later date. The notice shall encourage the Housing Provider to contact the Tenant directly to seek a mutually satisfactory resolution of the request prior to the hearing and shall encourage the Housing Provider and Tenant to consider using a neutral third party mediator to arrive at a mutually satisfactory resolution of the request prior to the hearing.
- B. As to a proposed Rent Increase that does not meet the criteria for the Committee to review the Rent Increase, the Executive Director shall arrange for a neutral third party to review and discuss with the Housing Provider and the Tenant the proposed Rent Increase for the purpose of at arriving at a mutually agreeable resolution

concerning the proposed Rent Increase. The Executive Director or the neutral third party shall schedule the discussion and provide notice to the Housing Provider and the Tenant of the date, time and location (if applicable) at least seven calendar days prior to the discussion. The discussion date shall be within 21 calendar days of the receipt of the request for review unless the Housing Provider and Tenant consent to a later date. The notice shall encourage the Housing Provider to contact the Tenant directly to seek a mutually satisfactory resolution of the request prior to the discussion date.

- C. If a Tenant has participated in the conciliation process as set forth in subsection B of this Section and has requested a timely review of the Rent Increase by the Committee as set forth in subsection D of Section 6-56.6, the Executive Director shall schedule a hearing and provide notice to the Housing Provider and the Tenant as set forth in subsection A of this Section.

#### **6-56.8 Rent Increase Pending the Hearing or Conduct of the Conciliation Procedures**

If the effective date of the Rent Increase occurs before the Committee's hearing or before the discussion date, unless the Housing Provider otherwise agrees, the Rent Increase will become effective.

#### **6-56.9 Hearing, Conciliation Procedures and Recommendation**

- A. At the hearing or through the conciliation procedures, the Committee or the neutral third party will afford the Housing Provider and the Tenant the opportunity to explain their respective positions. The Committee as a whole and an individual member of the Committee shall not act as an advocate of either the Housing Provider or the Tenant. The Committee or the neutral third party will take into consideration such factors as the financial hardship to the Tenant, the frequency and amount of prior Rent Increases, the Housing Provider's costs associated with owning and maintaining the Residential Property, the Housing Provider's interest in earning a reasonable rate of return on the Housing Provider's investment and any other factors that may assist the Committee in determining a fair resolution to the request. The Committee or the neutral third party will make a recommendation to the Parties concerning the Rent Increase. If the Parties agree to the recommendation made by the Committee or by the neutral third party, they may formalize the agreement in a standard form signed by both Parties. Neither the City, the Committee nor the neutral third party shall be a signatory to such an agreement and neither the City, the Committee nor the neutral third party shall assume any obligation or responsibility to enforce the terms of the agreement.
- B. If the parties do not concur with the Committee's recommendation, either may request the City Council to review the Committee's recommendation as set forth in Section 6-56.11.

#### **6-56.10 A Party's Failure to Appear for the Hearing or to Participate in the Conciliation Procedures**

If a Tenant appears at a noticed Committee hearing and the Committee finds the Housing Provider failed to appear without notifying the Executive Director prior to the hearing and providing a good reason for not appearing or appears at the hearing but does not have the full authority to answer for the Housing Provider or enter into binding agreements on behalf of the Housing Provider, the Rent Increase shall be void and the Housing Provider shall neither take any action to enforce such Rent Increase nor notice another Rent Increase for one year from the date that the proposed Rent Increase was to become effective. If the Tenant participates in the conciliation procedure but the Housing Provider does not, the Rent Increase shall be void and the Housing Provider shall neither take any action to enforce such Rent Increase nor notice another Rent Increase for one year from the date the proposed Rent Increase was to become effective. If the Tenant fails to appear at a noticed Committee hearing, or fails to participate in the conciliation procedure, without notifying the Executive Director prior to the hearing or the participation date and providing a good reason for not appearing and the Housing Provider appears, or if both the Tenant and the Housing Provider fail to appear without providing notice to the Executive Director and providing a good reason for not appearing, the Committee or the neutral third party shall take no action on the request and the Tenant will be precluded from subsequently seeking further or additional review of the particular Rent Increase.

#### **6-56-11. City Council Review of the Committee's Recommendation**

- A.** After the Committee has issued its recommendation, if the parties do not concur, either the Housing Provider or the Tenant may within seven calendar days following the Committee's recommendation request the City Council to review the recommendation by filing such request with the Community Development Director.
- B.** The City Council's review will occur as soon as practicable and be limited to reviewing the Committee's recommendation and then issuing a letter, under the Mayor's signature, encouraging both parties to agree to the Committee's recommendation.

#### **6-56-12. Violations**

Any Rent Increase accomplished in violation of this Ordinance shall be void, and no Housing Provider shall take any action to enforce such an invalid Rent Increase. A violation of this Ordinance shall operate as a complete defense to an unlawful detainer action based on a Tenant's failure to pay any Rent Increase accomplished in violation of this Ordinance.

#### **6-56.13 Annual Review**

The Community Development Director shall annually prepare a report to the Council assessing the effectiveness of the rent review program established under this Article and recommending changes as appropriate."

Section 2. Section 2-23 is hereby added to Article II of the Alameda Municipal Code to read as follows:

## **“Section 2-23 Rent Review Advisory Committee**

### **2-23.1 Rent Review Advisory Committee created; purpose**

There is hereby created a committee which shall be known as the Rent Review Advisory Committee (“Committee”) whose purpose is to review requests from tenants concerning certain rent increases and make recommendations to the tenants and their housing providers concerning such increases.

### **2-23.2 Membership; appointment; term of office; removal; vacancies**

- a. The Committee shall consist of five members, all of whom shall at the time of their appointment and continuously during their incumbency be residents of the City. At the time of their appointment, two of the members shall be tenants in the City, two of the members shall be housing providers and one member shall be a residential property owner but not a housing provider.
- b. Upon nomination of the Mayor, the City Council shall appoint such members as are necessary to maintain full membership on the Committee, with terms for all members to begin on July 1 and, as to two members, continuing for two years thereafter until the successor of such member is qualified and appointed and, as to three members, continuing for four years thereafter until the successor of such member is qualified and appointed.
- c. No person shall be eligible to serve more than two consecutive terms. The initial two year term as to two members referenced in paragraph b above, one of whom shall be a housing provider and one of whom shall be a tenant, shall be deemed one term. Thereafter, any appointment the term of which is two years or less shall not be deemed one term.
- d. A vote of a majority of the Council may remove a member from the Committee.
- e. A vacancy shall occur if a member is no longer a resident of the City, if the member’s status as a tenant, housing provider or residential property owner but not a housing provider changes, the member resigns or the Council removes the member. The vacancy shall be filled as provided in paragraph b and the person appointed shall serve the unexpired term of office.

### **2-23.3 Meetings; officers; voting.**

- a. The Committee shall meet as necessary to perform its duties outlined in subsection 2-23.4 but in no case less than monthly if a hearing has been scheduled. The Committee has the power to establish rules for its proceedings. A member’s failure to attend 75% of the meetings in a 12 month period shall be grounds for removal by the City Council.
- b. The Committee shall select from its membership a Chairperson and Vice-Chairperson who shall be selected in July of each year and serve a one year term. No member may serve as Chair more than two consecutive terms.
- c. To take any action or to make a Committee recommendation to the housing provider and tenant (which recommendation is advisory only) shall require three votes.



## **2-23.4 Duties of the Committee**

It shall be the duty of the Committee to hold hearings in response to a request for a rent increase review. The Committee will afford the parties involved in the request an opportunity to explain their respective positions. The Committee as a whole and individual members of the Committee shall not act as an advocate of either the housing provider or the tenant. After hearing the parties, and taking into consideration such factors as the financial hardship to the tenant, the frequency and the amount of previous rent increases, the housing provider's deed of trust payments and other costs associated with owning and maintaining the property, the housing provider's expectation of earning a reasonable rate of return on the investment, and any other factors that may assist the Committee in determining a fair resolution of the matter, the Committee will make a non-binding, advisory recommendation to the parties for resolution of the matter."

Section 3. This Ordinance shall be in full force and effect from and after the expiration of 30 days from the date of its final passage.

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Mayor of the City of Alameda

Attest:

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Lara Weisiger, City Clerk

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I, the undersigned, hereby certify that the foregoing Ordinance was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the \_\_\_\_ day of \_\_\_\_\_, 2015 by the following vote:

AYERS:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Lara Weisiger, City Clerk

Approved as to form:

\_\_\_\_\_  
Janet C. Kern, City Attorney