

STAFF PRESENTATION

ALAMEDA CITY COUNCIL - NOVEMBER 4, 2015



OVERVIEW OF TONIGHT'S PRESENTATION

- Current Rent Review System
- Continuum of Program and Policy Options
- Council Direction to Staff

CITY'S CURRENT RENT REVIEW/MEDIATION PROCESS

- Encourages dialogue between property owners/tenant
- Applies to all rental properties
- Tenant requests RRAC to review rent increase
- Tenant and landlord appear for public mediation presided over by the RRAC
- RRAC makes non-binding, advisory recommendation

RECENT CHANGES TO RENT REVIEW PROCESS

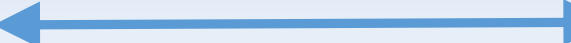
- Landlords must notify tenants of RRAC process when increasing rent
- Landlords must participate in RRAC process if tenant requests hearing
- If rent increase not properly noticed/lack of landlord participation in mediation hearing, rent increase is null and void

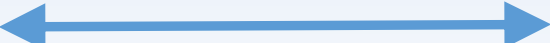
COMPOSITION OF THE RRAC

- Recent ordinance added RRAC to the Alameda Municipal Code
- Nominated by the Mayor, appointed by the Council
- Eligible for two 4-year terms
- Two members tenants
- Two members housing providers
- One member property owner but not housing provider

CONTINUUM OF TENANT PROTECTIONS

- Amount of government regulation of tenant-landlord relations
- City resources dedicated to implementation

Non-binding Mediation  Rent Control

Applies to all Units  Limited by Costa-Hawkins

MEDIATION AND RELATED TENANT PROTECTION OPTIONS

- Give recent RRAC changes chance to work
- Limit rent increases to once every 12 months
- Mandatory hearing for any rent increases over certain %
- Expand role of RRAC to mediate no cause evictions
- Hire an ombudsperson
- Fund third-party mediation

CITIES WITH MEDIATION PROGRAMS

- Campbell
- Fremont
- Gardena
- Mountain View
- San Diego
- San Leandro
- Thousand Oaks

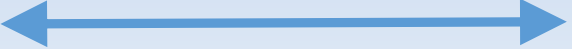
RENT STABILIZATION

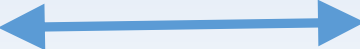
- Would apply to an estimated 71% of rental units
- Would allow automatic flat percentage increase, CPI increase, or percentage of CPI
- Would require Hearing Officer or separate Board to review return on investment and other types of petitions
- Would need to decide if Officer/Board decisions are final or advisory

TWO TYPES OF RENT CONTROL

1. Vacancy De-control/Re-control –allows landlord to establish initial rate for vacated unit, but limits rent increases as long as same tenant occupies the unit.
2. Permanent De-control –rent control would apply to tenancies existing when the ordinance is adopted; when the tenants move out, the units would cease to be covered by the ordinance.

CONTINUUM OF ENFORCEMENT & REGULATORY AUTHORITY FOR RENT INCREASES

Tenant Complaint-Based  Landlord Registration

Minimum Funding/Staffing  Maximum Funding/Staffing

JUST CAUSE EVICTION ORDINANCE

- Rent control usually linked with eviction control
- Eviction for cause only
- Not constrained by Costa-Hawkins
- Special noticing requirements identifying grounds for eviction and supporting facts

CITIES WITH JUST CAUSE EVICTION ORDINANCE

- Berkeley
- East Palo Alto
- Glendale
- Los Angeles
- Oakland
- San Diego
- San Francisco
- San Jose
- Santa Monica
- West Hollywood

RELOCATION ASSISTANCE – WHEN TENANT EVICTED WITHOUT CAUSE

- For everyone or tie it to length of tenancy, income, or special needs status of tenant
- Amount of assistance tied to rent, flat amount, or both
- Not constrained by Costa-Hawkins

CITIES WITH RELOCATION BENEFITS

- Berkeley
- Fremont
- Los Angeles
- Mountain View
- San Francisco
- Santa Monica
- West Hollywood

BOOMERANG FUNDS

- Funds that previously went to former redevelopment agency, but with dissolution of redevelopment, now go to the City's General Fund
- Redevelopment was a key source of affordable housing funding
- Projected that the General Fund will receive \$16 million in Boomerang Funds over the next 10 years
- Many local jurisdictions, such as Alameda County, set aside a percentage of Boomerang Funds for affordable housing

HOW A MORATORIUM WOULD WORK

- Requires a 4/5 vote to find urgent need for immediate protection of public peace, health, or safety
- Takes effect immediately
- Lasts 65 days –prohibiting rent increases and/or no cause evictions
- Gives staff time to draft regulations to enact Council-directed policies
- No moratorium needed for enhanced mediation or relocation assistance

RECOMMENDATIONS

- Receive the BAE report analyzing the impact of rising rents on Alameda residents.
- Conduct a public hearing and provide direction about policies to pursue regarding:
 - enhanced mediation
 - rent stabilization
 - just cause eviction protection
 - relocation benefits
 - the composition of the RRAC
 - the use of Boomerang funds
- Consider passage of an urgency ordinance to provide time for staff to return to Council with the requested ordinances.