

LARA WEISIGER

From: DEBBIE POTTER
Sent: Monday, February 01, 2016 5:19 PM
To: Michael Roush; LARA WEISIGER
Subject: FW: Alamedans for Fair Rent's position on The Memo Seeking Direction on Rent Stabilization and Tenant Protection Ordinance
Attachments: Staff direction memo3.docx

FYI. dp

From: Mimi Rohr [mailto:mimi@themcconnellgroup.com] **On Behalf Of** gmc@themcconnellgroup.com
Sent: Monday, February 01, 2016 3:40 PM
To: Trish Spencer; Frank Matarrese; Jim Oddie; Marilyn Ezzy Ashcraft; Tony Daysog
Cc: City Manager; DEBBIE POTTER; Janet Kern
Subject: Alamedans for Fair Rent's position on The Memo Seeking Direction on Rent Stabilization and Tenant Protection Ordinance

The Honorable Mayor and Members of the City Council,

Please find attached Alamedans for Fair Rent's position on The Memo Seeking Direction on Rent Stabilization and Tenant Protection Ordinance.

Please feel free to contact me with any questions or for further clarification.

Gregory McConnell
President and CEO
The McConnell Group
Consultants and Advocates
300 Frank H. Ogawa Plaza, Suite 460
Oakland CA, 94612
(510) 834-0400 Office
(510) 701-7158 Mobile

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Memorandum

To: The Honorable Mayor and Members of the City Council
CC: Interim City Manager, Community Development Director and City Attorney

From: Gregory McConnell, Consultant to Alamedans for Fair Rents

Re: Memo Seeking Direction on Rent Stabilization and Tenant Protection Ordinance

On behalf of Alamedans for Fair Rents (AFR), I submit the following response to staff's request for direction. AFR believes that Council has given direction on an Ordinance that strikes a balance on rent and eviction limitations that is somewhere in between what property owners and tenants want. AFR would have preferred the 8% rent level contained in the Moratorium. Nevertheless, AFR will accept Council's decision to require justification for increases above 5% and would like to work with you to determine what "justification" means.

For now, we comment on Staff's request for direction.

1. One Year Leases

AFR is concerned that requiring leases for exiting tenants will cost tenants more up-front money at move in and be an administrative burden to property owners. Most rental agreements in Alameda are month to month. As such, when a tenancy is created the tenant only pays first month's rent and a security deposit. On yearlong leases, tenants frequently are required to pay first month, last month and a security deposit. As such, a lease actually costs tenants more up-front money.

Leases lock in both sides, if a tenant accepts a lease the tenant has to remain in the unit for the entire period of the lease or pay for the landlord's losses for approximately 60 days or longer if he/she is not able to mitigate the loss of rental income and secure a replacement tenant.

Since the Ordinance will limit rent increase to once per year, we think tenants are protected sufficiently and creating the administrative burden of offering every tenant in an existing month-to-month tenancy is unnecessary. Moreover, if not worded properly, this will require owners to reenter one-year leases every time a lease expires.

AFR recommends that Council not require owners to offer leases to existing tenants who have month-to-month tenancies.

2. Program Fee

AFR agrees with Staff recommendation to discuss a program fee at February 16 meeting.

3. Capital Improvement Plan

AFR agrees with Staff recommendation to discuss Capital Improvement Plan on February 16.

4. “No Cause” Eviction Protections

Staff seeks clarification on whether Council intends to limit rent increases to new tenants following a no cause eviction at zero or 5%. Staff argues that Alameda has the legal authority to do either.

AFR agrees that the city has the legal authority to limit increases following a no cause eviction. We do not totally agree with staff's rationale. But that is beside the point, for now. When Council considered this issue it sought to prevent financial evictions where the owner gets a rent increase he/she could not have received from the prior tenant. The purpose, we think, was to disincentivize financial evictions, not punish owners. We think that purpose is sustained by a rule that provides the owner cannot charge the new tenant more than he/she could have charge the evicted tenant.

AFR recommends that Council limit increase to new tenants to the same amount that could have been charged the evicted tenant, 5%.

5. Cap on the Number of “No Cause” Evictions

Staff seeks clarification on whether Cap is set at 50% or 25% of tenants in a building where there is no Capital Improvement Plan that necessitates all units are terminated temporarily or permanently.

AFR has no position on this. We deplore no cause mass terminations of tenants. The exception is that if the property were a single-family home, the termination would be 100%.

6. Relocation Benefit Exemption for “Mom and Pop” Property Owners

AFR agrees with staff recommendation to allow owners of four or fewer units to extend time rather than make payments, equal to one month per years of tenancy with a cap of four months.

7. Rent Increase Cap

Staff seeks clarity on whether there is a limit on increases.

AFR recalls that Council directed that owners must justify increases above 5% through RRAC and binding arbitration if no agreement is reached. However, there is no maximum limit per se. This is the position we recommend.

8. Data Collection

Staff recommends data collection above 5% and tenant-initiated RRAC cases of less than 5%

AFR agrees with Staff recommendation. Rent tracking on every increase is unnecessary to gather information about rent trends in Alameda. Tracking through the RRAC process should be more than sufficient.

LARA WEISIGER

From: Katherine Jensen <kjen50@comcast.net>
Sent: Monday, February 01, 2016 8:41 PM
To: City Clerk
Subject: Considerations RE: Renter/Landlord Proposals
Attachments: February 1.docx; ATT00001.htm

Dear City Clerk, Please forward this email to the Mayor and City Councils Members per our conversation today. Thank you.

Dear Mayor Trish Herrera Spenser,
Vice Mayor Frank Matarrese, and
Council Members Tony Daysog,
Marilyn Ezzy Ashcraft and
Jim Oddie,

Information provided regarding the meeting scheduled for February 2, 2016, states the intent to:
"Provide Direction to Staff Regarding Certain Elements of a Proposed Rent Stabilization and Tenant Protection Ordinance."

I would like to add my voice to that proposed direction.

I am both a landlord and a tenant in the 4-plex purchased with my family, so I stand on both sides of this precarious fence.

- The City of Alameda, the County of Alameda, and the banking industry in the area, already make a distinction between rental units having greater than five units. It was this distinction that led us to purchase a four-plex. A five-plex, or larger unit, was classified as commercial, which influenced interest rates and taxes. As these distinctions are already in place, I would ask the City Council to consider using the same criteria when deciding who to include in these provisions.
- As a landlord of three units and a tenant in the fourth, I am very much opposed to mandating the offer of a one-year lease to our tenants. We purchased the building with the notion of it being a "family compound," a place where I would live while helping family in the area; a place for elderly family members to live close and be cared for, as needed; a place for re-locating family members to live while they sought employment. If we are required to offer a lease of one year to any new tenant, or, to our existing tenants, if we increase the rent (which is about 50% of the average rent in Alameda for 1-bd units), it makes it impossible to help our family, should the need arise, as doing so would incur impossible debt in relocating our tenants. I believe this provision is entirely unfair to those of us, and there are many, who see our plex purchase, not as a business, but as a means of being ready to help family should the need arise.

- The need of family members cannot be considered a “no cause” eviction. Our family’s needs are why we purchased this beautiful building. I believe this clause should be added under the list of “for cause” evictions, as the needs of our family are certainly as relevant as the needs of our tenants.
- Given appropriate notice, 30-day for emergencies (like the sudden, unexpected need of caring for an elderly parent), or 30-days for each year of tenancy where the cause is not emergent, should not come with any relocation expenses.

I do understand that you are trying to help renters who are being treated unfairly, but several of your provisions are punitive to landlords who are not mercenaries, those of us who actually care about our tenants, yet lack the resources to help them financially if a need arises which requires us to claim one or more of the apartments as family living space, while still maintaining the status of the building as a four-plex.

At our current rental rates, it will take 29 years to pay for repairs already made on the building to keep it safe for our current tenants. Doubling the rent, thus bringing it up to what you quote as the current price for renting a one-bedroom apartment in Alameda, would cut that time in half, but not account for the upkeep required of an older home over those same years. We do not imagine even a 5% rent increase, and thus will not need to do more than inform our tenants of their right to a hearing with the RACC, but I think the Council needs to look seriously at the impact of your considerations on landlords who are not making their living off rents, the owners of small units: duplexes, triplexes and four-plexes. Please do not make small landowners victims in the same way some landlords are victimizing their tenants. There must be a middle ground.

Thank you for your consideration.

Sincerely, Katherine Tofte

P.S. I’m including a document file for easier printing.

February 1, 2016

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Vice Mayor Frank Matarrese, and
Council Members Tony Daysog,
Marilyn Ezzy Ashcraft and
Jim Oddie,

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Thank you for your consideration.

Sincerely, Katherine Tofte

LARA WEISIGER

From: Trish Spencer
Sent: Tuesday, February 02, 2016 7:57 AM
To: Mark G
Cc: Liz Warmerdam; Janet Kern; LARA WEISIGER
Subject: RE: Rental restrictions

Dear Mr. Goodeill,

Thank you for your comprehensive email. I will consider your comments in my decisions.

Sincerely,

Trish Spencer
Mayor, City of Alameda

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Mark G <mgoodeill0804@gmail.com>
Date: 02/01/2016 10:33 PM (GMT-08:00)
To: Trish Spencer <TSpencer@alamedaca.gov>
Cc: Tony Daysog <TDaysog@alamedaca.gov>, Marilyn Ezzy Ashcraft <MEzzyAshcraft@alamedaca.gov>, Frank Matarrese <FMatarrese@alamedaca.gov>, Jim Oddie <JOddie@alamedaca.gov>
Subject: Rental restrictions

Mayor and City Council Members,

My name is Mark Goodeill and I wanted to share some thoughts on the decisions you will soon be making on rental limitations. Honestly even though I don't like being told what we can do as landlords the 5% rent increase cap I can live with. It does not alter how we have done business in the past. What I am concerned with is the eviction issue. It would rarely apply to us but it could have several issues at some point. One would be if we need to get rid of someone who is a nuisance it will be almost impossible. It is easy to say that it is a legitimate reason for eviction but to be real it is almost impossible to prove someone it causing trouble. Other tenants and neighbors have never been willing to put anything in writing. They would never back us up they just complain to me over and over that someone is a problem. In the past we have had tenants dealing drugs. Everyone knew it but no one wants to put anything in writing that a neighbor is a problem and lets be honest, until the person is arrested it truly is that you don't like the people they are calling friends. So if I understand what is being discussed to get rid of someone like this I would have to pay them \$8,000—\$10,000 to leave. If my mom or a family member needs to move into one of the units my family owns it could cost me that much to get someone out and thats if it goes easy. We could anticipate tagging on lawyer fees and lost rent I am sure.

A simple case would be if I am hearing this right is my mom needs to move into a single level home we have owned for many years as she gets older. The tenants have had a very fair rent and been there for 14 years now. They pay just under \$2000.00 currently so lets call it \$2000.00. So if I understand this correctly we would need to pay them $4 \times 2000 = 8,000$ plus \$1500 equaling \$9500 to move. How is this fair in anyones mind. They have had many years of very fair rent and they have no responsibility to save for a rainy day? I just think this is crazy. You are making landlords take care of tenants as if they are not capable of taking care of themselves. I can see it already, there will be tenants saying pay me and I will leave otherwise tough luck. I understand you are trying to stop landlords from doing blanket evictions to raise rents but you are hurting others who may be trying to help their own family. Tenants are going to have more rights to the property than the owners.

I am also concerned on how the money would be handled. Do I upfront need to pay a tenant and then hope they move? If they don't leave then I can pay an attorney thousands to evict them and lose several months rent at the same time. I do not know what the answer is but this seems way off base to me. My family has owned property in this town for years and have worked hard to invest here so I can tell you that running rentals is not a business but a life style for us. I am available to my tenants 24 hours a day, my phone is seldom turned off. A call can come in at anytime so there is a price to be paid to make money on these investments. When I hear people say we have the right to make a fair return on our money I wonder what is that? If it is equal to what having money sitting in a bank would pay why would anyone choose real estate and dealing with tenants? Most tenants are great but from time to time there will be someone who just make life quite tough. I was born and raised here so these people know where we live and over the years an angry tenant will show up at our door. This happens no matter how fair you are it is just part of doing business. People fall on hard times and can not pay and want to be mad at us even after being behind several months on rent. I am just saying it is not an easy way to make money. Well at least for those of us who are not raising rents other than a moderate amount on current tenants and also remember when the rental market was hurting no one was stepping in to help us with the mortgage. My mom is 75 and will still step out to clean a vacant unit while I have whole buildings of tenants who will not bend over to pick up the free newspapers dropped on the steps. They just step over them.

I am getting side tracked but I just don't think you are understanding the work that goes into giving our tenants a nice place to live for a fair rent and when I see it may cost me close to \$10,000 to ask a tenant to move out of our property It makes me angry. This money will need to be saved up somehow and if the rules get less friendly to those of us who have been more than fair to our tenants I see being less flexible in the future with tenants. I do understand that these extreme landlords brought this on and I wish I knew how to stop their outrageous behavior but making the rest of us pay such a high price is just crazy.

As a second item I would like to add that although I appreciate the time put into this issue I felt that there was a rush at the last council meeting to push on and get it done. Although I first agreed with this I felt it became just a push to move forward and do not believe anyone is making good decisions at 3 and 4 a.m. I truly do not think we can even really consider it open to the public at that hour. It is not reasonable to believe many people can stay so late. I know that all of you did and I did as well but as said I just don't think anyone is thinking clearly at that hour.

I do want to thank all of you for the time you have put into this issue and I respect that you are trying to find a compromise that will help tenants being affected by this crazy rental market.

Please excuse this being all over the map. I am not great at writing on a good day and have been feeling under the weather lately.

Thank you for your time and service,
Mark Goodeill

LARA WEISIGER

From: Trish Spencer
Sent: Tuesday, February 02, 2016 8:02 AM
To: Candace Gutleben
Cc: Liz Warmerdam; LARA WEISIGER; Janet Kern
Subject: RE: Proposed Rent Control Ordinance

Dear Mr. and Mrs. Gutleben,

Thank you for your thoughtful and comprehensive email. I will consider your comments in my decisions.

Sincerely,

Trish Spencer
Mayor, City of Alameda

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Candace Gutleben <candacegutleben@comcast.net>
Date: 02/01/2016 7:01 PM (GMT-08:00)
To: Trish Spencer <TSpencer@alamedaca.gov>, Frank Matarrese <FMatarrese@alamedaca.gov>, Tony Daysog <TDaysog@alamedaca.gov>, Marilyn Ezzy Ashcraft <MEzzyAshcraft@alamedaca.gov>, Jim Oddie <JOddie@alamedaca.gov>
Cc: Ken Gutleben <kengutleben@yahoo.com>
Subject: Proposed Rent Control Ordinance

February 1, 2016

Dear Council Member,

My husband and I are small business people in Alameda. We are past retirement age. We are not independently wealthy. Over the course of many years we have put our labor and hard-earned money into 4 rental duplexes (2 of which were built in the 1880's and 2 in 1905) for a future nest egg. We bought the properties with a negative cash flow. We were younger and idealistic and always counted on them to provide our retirement income. Since then we have put our savings into seismically retrofitting all 4 houses, adding basements, replacing all plumbing and electrical systems, remodeling all kitchens and baths, restoring interiors and exteriors to pristine conditions and landscaping. When we have a rare vacancy, we are flooded with prospective tenants who rave

about the units. The properties are an asset to the neighborhoods and to Alameda, as well as contributing to the safety of the residents. We are not the only landlords to do this.

These old homes are the architectural heritage of our Alameda. Our city charter mandates protecting them. Measure A in 1973 put an end to the demolition of these historical, irreplaceable residences. The investment to seismically retrofit, restore and remodel them is enormous. It is not economically feasible today under rent control. Yet, they are not exempt. Perhaps because rent control advocates are either unaware or unconcerned about such matters. However, our elected officials surely must understand the costs and significance to our community should we allow the deterioration of these structures that give Alameda so much of its character, charm and attractiveness. This unique aspect is widely known by even non-residents.

We have always rented below market rate, raising the rent about every few years. We are on friendly terms with all tenants. We do all the maintenance and repairs and manage them ourselves. We now realize, after discovering the many aspects to rent control, only one of which is the *rate* of rent increases, this has been a big mistake. We did not run our rental properties according to the business model that the rental coalition advocates are describing. It is strange that although we have lived in Alameda since birth, we have never met such a landlord. Now we fear that all that sweat equity and savings is being controlled by a nationwide movement that bears no resemblance to the reality of our experience in Alameda.

Rent controlled units require no income qualification on the part of the tenant. The tenant could have an income in the triple digits or earn more than the landlord. Under rent control there are no government subsidies or tax exemptions for “mom and pop” landlords for keeping rents low. Under the proposed future rent ordinance for Alameda, being considered by you, our city council, an elderly landlord could end up having to pay tens of thousands of dollars to re-locate a young, professional tenant with an income equal to or greater than the landlords!

The current economy, as we all know, is a bubble which may burst at any time, as has happened before. Given the current political reality, it is unlikely the federal government will ever resume its former responsibility to provide housing for truly low-income folks. Rent control advocates ignore the political reality that small “mom and pop” landlords - folks just like them - are being asked to subsidize the entire community due to a housing crisis that in former times was viewed as the responsibility of government. When the government fulfills its responsibilities, we all share equally through our taxes. Rent control advocates seem oblivious to the fact that they are asking individual private property owners to subsidize government rather than the other way around. We are counting on our city council to buck this current trend and pass an ordinance that is fair and

workable for small business owners. It is possible if cooler heads prevail. We are not asking for favors or subsidies or sympathy. We are asking for fairness.

Thank you,

Ken and Candace Gutleben

LARA WEISIGER

From: Trish Spencer
Sent: Tuesday, February 02, 2016 8:33 AM
To: maria; Karin Lucas
Cc: Michelle Koka; Liz Warmerdam; DEBBIE POTTER; LARA WEISIGER
Subject: RE: Mom& Pop database

Dear Ms. Love,

Thank you for your thoughtful and comprehensive email. I appreciate your comments and will consider them in my decisions. I'm including staff so that they are also aware of your concerns. In regards to meeting, unfortunately at this time it would have to be after tonight's Council meeting. Feel free to contact my office at 510-747-4701 to schedule an appointment.

Sincerely,

Trish Spencer
Mayor, City of Alameda

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: maria <maria@thelovehouse.net>
Date: 02/01/2016 12:30 PM (GMT-08:00)
To: Karin Lucas <karin_lucas@hotmail.com>, Trish Spencer <TSpencer@alamedaca.gov>
Subject: RE: Mom& Pop database

I would love to meet with Ms Spencer. My issues with the rent ordinances are more focused on the eviction side. You may know me from the council meeting and from several emails I have sent the council. I am the landlord who spoke about being unable to do an owner occupy eviction . Getting my property back from a tenant is hard enough without the city making it harder. The timing of this has been absolutely terrible for my family. I have been trying to evict my cottage tenant since September. I even contacted the city about Ellis Act rules back in October.

I think there are a lot of unforeseen consequences that the city is not taking into account.

Like what are the Ellis Act rules as I am quite sure many small landlords will immediately go out of business once this is passed. I believe it was you Ms. Spencer who wanted everyone to get 4 months relocation fees even if they had only been there a month....how are we to pay for that? Oh that's right the one councilmember so casual said "then they just don't evict them" great! No landlord is evicting someone for fun. The city getting involve and all the red tape people are going to realize it is not worth it. The financial liability is high.

My first 60 day notice was a no cause eviction (as allowed in my lease and fine in Alameda before the moratorium) Even though I have always been planning to use the cottage for family I was advised by several

lawyer not to move forward with any eviction during the moratorium including an owner occupy as the court has no idea how to deal with the moratorium. I waited as advised and my family has suffered. We simply want our home to once again be our home used by our family.

Since I am now moving forward with a new 60 day notice I will be in court before this law passes but I will I am sure be affected by its passage while my case works its way through the court. In an effort to avoid any issues I am trying to be compliant with the proposed rules including offering relocation fees.

In doing so I have voluntarily sent my tenant 1/2 of 4 months rent and \$1500 for moving expenses. Of course this in no ways assures me she WILL leave. Based on my tenants rental history I'm quite sure she will not leave.

Having done this I now see a new problem with this system of relocation fees what if she doesn't pay the rent for the next 2 months? She will have relocation fees she is not intitled to as it would now be a nonpayment of rent eviction.

This needs to be considered. While I disagree with relocation fees at all as I never promised to rent my cottage forever actually quite the oposite. I should not have to buy my own property back when I no longer want to rent it.

Why not make the last 2 months rent (or whatever part of it if they get less than the full 4 months) the first half of the relocation fees? So when you serve a no fault or no cause 60 day notice the tenant uses the money they would have paid you to put a deposit on their new unit. No cash for the landlord to come up with until and unless they actually vacate in the 60 days without needing to take them to court. Then they get the other half of the fees. The landlord would not then be in my position where the tenant has \$3150 of my money yet owes me money.....

Maria Love

209 663-8513

S

----- Original message -----

From: Karin Lucas <karin_lucas@hotmail.com>

Date: 1/29/2016 4:47 PM (GMT-08:00)

To: Trish Spencer <tspencer@alamedaca.gov>

Subject: RE: Mom& Pop database

Trish,

thank you for getting back to me and putting so much time and thought into this issue.

I'm afraid whatever limit the Council sets for the annual rent increase without prior RRAC approval will be a de facto cap for the mom & pops. We run our small rental businesses on a part time basis and any additional government layer will discourage us from making expensive improvements. The South Shore Beach and

Tennis Club Apartments probably have professional staff to handle dealing with government agencies. It is much more cumbersome for us little guys with fulltime jobs to have to deal with government.

Thank you for your offer to meet. I will be out of town the next 3 weeks but will forward your email to Ken Gutleben, Ray Stanton and Maria Love, all of them longtime small landlords in Alameda. They may get in touch with you.

Thanks again for caring so much,

Karin

From: TSpencer@alamedaca.gov
To: karin_lucas@hotmail.com
Subject: RE: Mom& Pop database
Date: Fri, 29 Jan 2016 16:03:54 +0000

Hi Karin,

Thank you for your email. I appreciate you sharing this information. I'm happy to meet with you, or anyone, regarding this issue, and that might be helpful. Feel free to call to schedule an appointment.

I want to clarify that there is no cap being proposed. Also, I've been told by many local landlords that they rarely, if ever, do increases over 5% to existing tenants, thus the shift of having landlords go to RRAC if they desire to do a rent increase of more than 5% would rarely, if ever, impact them. If you have data to the contrary, feel free to share that. If that anecdotal information is wrong, you're right that we could see an increase at RRAC, however, my preference, at this time, is to supplement Alameda's current system (i.e., RRAC) rather than traditional rent control.

Thank you.

Trish

Trish Spencer
Mayor, City of Alameda

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Karin Lucas <karin_lucas@hotmail.com>
Date: 01/28/2016 4:15 PM (GMT-08:00)
To: Trish Spencer <TSpencer@alamedaca.gov>
Subject: Mom& Pop database

Trish,

the first column in the above attachment lists 1280 Alamedans who own 2-4 rental units. The second column lists spouses or partners, so we are probably talking about 2,000 Alameda voters. If you insist they be exempted or raise the permissible annual rent increase they will be grateful. You will also save the RRAC from being overwhelmed with requests.

Thanks for everything you do.

Karin

LARA WEISIGER

From: Trish Spencer
Sent: Tuesday, February 02, 2016 8:50 AM
To: Liberty Rustia
Cc: Liz Warmerdam; DEBBIE POTTER; Janet Kern; LARA WEISIGER
Subject: RE: Rent control

Dear Ms. Rustia,

Thank you for your thoughtful and comprehensive email. I will consider your comments in my decisions. I'm including staff so that they are also aware of your concerns.

Sincerely,

Trish Spencer
Mayor, City of Alameda

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Liberty Rustia <libertyrustia@yahoo.com>
Date: 02/01/2016 9:19 AM (GMT-08:00)
To: Trish Spencer <TSpencer@alamedaca.gov>
Subject: Rent control

Mayor Trish Spencer

My name is Liberty Rustia and I own a duplex in Alameda. I am very concerned about the talk of rent control in Alameda. I worked very hard to buy and fix up my property. I am still struggling to make my mortgage payment and pay bills. I am not rich. I work at Home Depot and only make \$20.42 per hour. I am hoping eventually make more from my duplex and I will need it for my retirement. I don't see why the City should be telling me how much I can charge my renters. Some of them make more money than I do. This just not fair to me.

Also why are you thinking of eliminating no cause evictions? I have had some bad renters, and I need to be able to get rid of them. I can't afford to evict someone if they sue me in court. I may have to sell my property if I can't make money or control who lives there. Please think of the landlords too.

Thank you
Liberty Rustia

LARA WEISIGER

From: Trish Spencer
Sent: Tuesday, February 02, 2016 9:15 AM
To: Denise Cahalan
Cc: LARA WEISIGER; Liz Warmerdam; DEBBIE POTTER
Subject: RE: Rent Control

Dear Ms. Cahalan,

Thank you for your comprehensive email. I will consider your comments in my decisions.

Sincerely,

Trish Spencer
Mayor, City of Alameda

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Denise Cahalan <cahalanster@gmail.com>
Date: 01/31/2016 11:25 AM (GMT-08:00)
To: Trish Spencer <TSpencer@alamedaca.gov>
Subject: Rent Control

Dear Mayor Spencer:

I would respectfully request that the council very carefully consider any proposed rent control statute here in Alameda for success in other locations.

I am the so-called mom and pop landlord. I generally have had tenants in my condominium for renewed annual leases for periods of 5 years, with few exceptions. Over the years, I have never been able to keep up my bottom line due to increases in costs, especially over bond initiatives which the 55% of tenants may vote for without paying for the costs. I have raised rents in accordance with market prices, not trying to pass through my increased costs.

I believe any rent control is artificial and will cause landlords to do things they otherwise wouldn't do. I hate to see Alameda go down this path when the market will correct itself. I am concerned that what I have read in the newspapers is so slanted towards tenants rights that it will cause continued divisiveness in our community.

Thank you for your consideration.

Best regards,

Denise Cahalan

LARA WEISIGER

From: Trish Spencer
Sent: Tuesday, February 02, 2016 10:05 AM
To: Joe Creason
Cc: Liz Warmerdam; DEBBIE POTTER; Janet Kern; LARA WEISIGER
Subject: RE: Feb 2 Rent Ordinance Meeting

Dear Mr. Creason,

Thank you for your email. I appreciate your thoughtful comments. It's my understanding that is usually not allowed per the lease. However, maybe it's something that should be included in the Ordinance. I'm including staff so that they are aware of your concerns.

Sincerely,

Trish Spencer
Mayor, City of Alameda

Sent from my Verizon Wireless 4G LTE smartphone

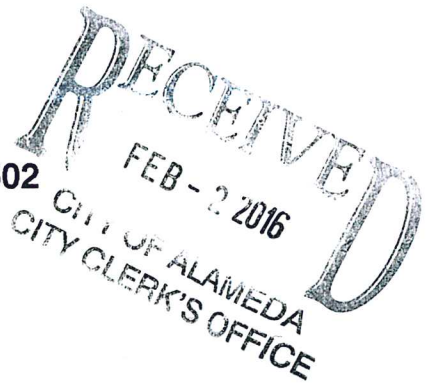
----- Original message -----

From: Joe Creason <joe408calendar@gmail.com>
Date: 02/02/2016 9:19 AM (GMT-08:00)
To: Trish Spencer <TSpencer@alamedaca.gov>
Subject: Feb 2 Rent Ordinance Meeting

Thank you for your service and for your efforts on this difficult issue.

Question re roommates and sub-tenants: Notwithstanding lease provisions, do the draft ordinances permit a tenant to collect rents from roommates or subtenants in excess of the rent paid to the landlord or in excess of the roommate or subtenant's proportional amount of the rent paid to the landlord. For example, in a three bedroom unit capped at \$2000 per month by rent control, could the tenant who remains in the unit charge two roommates or subtenants \$1200 each ?

3039 Flora Vista
Alameda, CA 94502
February 1, 2016



Mayor Trish Herrera Spencer
Members of the City Council
City of Alameda
2263 Santa Clara Avenue.
Alameda, CA 94501

Dear Mayor Spencer and City Council Members,

I do appreciate what you do each day for all of us residents of Alameda.

On Saturday, January 30, 2016, I met you at the Farmers' Market. I was interacting with some other Alameda residents and Council Member Tony Daysog regarding the city ordinance you are working on to ensure fair rental increases in Alameda. Apparently you heard me say that the new proposed ordinance is neither "just or equitable." You responded: "show me a plan that is just and equitable." I do not believe that it is my sole responsibility to design such a plan. I can however speak to the much needed issue of clarifying the values engaged in the process of addressing the rental ordinance concern.

Right now it appears to me that there is a "contest" going on as to who is the real victim in this crisis -the landlords or renters. We'll get nowhere near a fair ordinance with this clash of victimhood. All of us as citizens of this great country and city have a basic human right to shelter and the security of a home. It is the responsibility of the elected officials in collaboration with citizens to ensure a social system protecting these rights for every citizen in their jurisdiction. Such solutions are reached when values such as courage, human rights, justice, creativity, innovation and generosity interact in designing ordinances. With issues such as rental ordinances we must make our starting point the poorest and those of moderate income whose income does not keep pace with rental increases; we must let all know they are welcome here in Alameda, and that we respect and will protect everyone's right to housing.

It is my hope that the City Council will consider becoming a City signing on to the Charter of Compassion (www.charterofcompassion.org) and be committed to enfleshing the values of respect, dignity and equity. Each of us individually, and all of us as a City can work to make these values real in today's world and in this process of addressing the rental/housing crisis. The City of Fremont, CA recently adopted the Charter and became a Compassionate City. Alameda can do the same.

Once again, thank you.

Sincerely yours,

A handwritten signature in cursive script that reads "Sister Patricia Nagle". The signature is written in dark ink and is positioned below the typed name.

Sister Patricia Nagle

I am requesting that this letter be for you only. It is not for publication.

LARA WEISIGER

From: Joshua Howard <JHoward@caanet.org>
Sent: Tuesday, February 02, 2016 1:34 PM
To: Trish Spencer; Frank Matarrese; Tony Daysog; Marilyn Ezzy Ashcraft; Jim Oddie
Cc: Janet Kern; City Manager; LARA WEISIGER; DEBBIE POTTER
Subject: from California Apartment Association re Rent Stabilization Item on 2/2/16 agenda
Attachments: Principles of Agreement CAA Response-1.pdf

Dear Mayor Spencer & Councilmembers,

Attached is a document from the California Apartment Association (CAA) which contains CAA's response to item 6-G (Provide Direction to Staff Regarding Certain Elements of a Proposed Rent Stabilization and Tenant Protection Ordinance). In the attached document we have outlined our response to the Principles of Agreement document on tonight's agenda.

We look forward to continuing to work with you, your staff, and other stakeholders on a mutually agreeable solution to this complex issue.

Please do not hesitate to contact me to discuss these issues at any time. Unfortunately, I will not be able to attend tonight's meeting but look forward to continued conversations and collaboration on this issue.

Joshua

Joshua Howard - Senior Vice President, Local Public Affairs
California Apartment Association
1530 The Alameda, Suite 100, San Jose, CA 95126
jhoward@caanet.org - (408) 342-3507

*CAA is your partner in the rental housing industry.
Find out how we're working for you.*

California Apartment Association Response to Principles of Agreement Concerning a Proposed Rent Stabilization and Tenant Protection Ordinance

Set forth below is the response of the California Apartment Association to the Alameda city staff's understanding of the City Council's Principles of Agreement concerning a proposed Rent Stabilization and Tenant Protection Ordinance that staff will use as a roadmap for the Ordinance that will be presented to the City Council at its February 16, 2016 meeting.

Rent Increases

1. *Offer of One-Year Leases.* Housing Provider must offer a one-year lease to any prospective tenant.

CAA does not oppose this provision; however it should only be applied prospectively or at time of a rent adjustment for existing residents at the time the requirement goes into effect

2. *Frequency of Rent Increases.* Housing Provider shall not increase rents more than once every 12 months.

CAA does not oppose this proposal and suggests that a provision be made for a tenant/landlord agreement that would allow the increase to be split into installments accruing to the amount of the posted increase

3. *No Cap on Maximum Allowable Increase.* There is no cap on an annual maximum allowable rental increase above which a housing provider may be granted a higher increase through an administrative hearing process (i.e., no "traditional" rent stabilization)

CAA agrees

4. *Rent Increase Process.* A housing provider may propose to raise rents to whatever amount the housing provider believes is warranted assuming the following processes are followed:

Notice of the Availability of a Rent Review Process.

- If a Housing Provider intends to increase rents by 5% or less, Housing Provider must notify the tenant of the availability of a rent review process through the RACC.

CAA respectfully requests that the threshold be revised to 7% and that increases below 7% are not subject to RACC review.

- The rent increase goes into effect prior to completion of the rent review process.

CAA concurs with this item

- If Housing Provider fails to provide proper notice to tenant, the rent increase is void but Housing Provider may re-notice.
CAA concurs; however the city should develop standardized language that should be included with rent increase notices

Housing Provider to File a Notice of Rent Increase with the Housing Authority.

- If a Housing Provider intends to increase rents by more than 5%, the Housing Provider must (a) notify the Housing Authority who will schedule a RACC hearing and (b) notify the tenant that the rent increase will be reviewed by the RACC.

CAA requests that the threshold be 7% and that RACC review only be scheduled at the request of the tenant who must make their request within 10 days of the receipt of the increase notice

- Rent increase will not go into effect until rent review process has been completed.
The increase should go into effect as scheduled or amount held in escrow until the review process is completed.
- If Housing Provider fails to notify the Housing Authority/tenant, rent increase is null and void and no rent increase is allowed for 12 months.
CAA would suggest that the “waiting period” be 90 days before they can re-issue the rent increase if it is above 7% but an increase below 7% does not require a waiting period to re-issue the increase

5. RACC Process.

- A person with an ownership interest in the property must attend the hearing (tenant- or landlord-initiated); if not, the rent increase is void and no rent increase for 12 months.
CAA requests that the owner be allowed to send a designated representative that is given the authority to make decisions on behalf of the property owner
- The Committee may take into consideration such factors as the hardship to the tenant, the frequency and amount of prior rent increases, the housing provider’s costs of operation, and providing the housing provider with a fair return on the property.
The RRAC is not chartered to deliberate and render an opinion on what would be a fair rate of return. “Fair rate of return” is speculative and not codified or identified in the State of California.

The RRAC should continue to mediate an agreement between the parties to the best of its ability and allowance under its charter. In addition, clear guidelines for how the RRAC would review these cases should be developed to ensure that all hearings and cases are treated fairly and consistently

- The Committee may recommend whatever rent increase it believes is fair.

CAA holds that the RRAC is not a judicial oversight body and any recommendation offered would be advisory only.

- If the housing provider does not agree with the Committee's decision, unless the rental unit is exempt under Costa Hawkins (e.g., a single-family residence) the housing provider must file a petition to have a neutral hearing officer consider the rent increase. If the housing provider does not file such petition, the rent increase is void and no rent increase is permitted for 12 months.

CAA would point out that this is rent control and should not be part of the final ordinance. In addition if the housing provider does not file a petition over an outcome they disagree with should not deny them the opportunity to still pursue a rent increase

- If the rental unit is exempt under Costa Hawkins, the Committee's recommendation is non-binding. There may be an appeal to the City Council but its recommendation is likewise non-binding.

CAA concurs

- If the tenant does not agree with the Committee's recommendation, unless the rental unit is exempt under Costa Hawkins, the tenant must file a petition to have a neutral hearing officer consider the rent increase. If the tenant does not file such a petition, the rent increase shall be as recommended by the Committee

CAA concurs

- If the rental unit is exempt under Costa Hawkins, the Committee's recommendation is non-binding but the tenant may appeal to the City Council but the Council's recommendation is likewise non-binding.

CAA concurs

6. *Binding Arbitration.* Any appeal of a RRAC recommendation will be subject to binding arbitration by a hearing officer for units subject to Costa Hawkins. The hearing officer will conduct an administrative hearing concerning the rent increase taking into consideration similar factors as did the Committee. The hearing officer will issue a binding decision, subject only to judicial review.

Binding Arbitration is a form of rent control and CAA opposes the inclusion of a binding arbitration provision in the final ordinance.

Limitations on Evictions—Applicable to All Rental Units

“No cause” evictions. A housing provider may evict for “no cause” subject to:

- payment of relocation benefits (described below)
- limitation on rent increase for new tenant
- limitation on the number of “no cause” evictions permitted per year

For cause evictions. A housing provider may evict “for cause”—failure to pay rent, breach of lease, nuisance, failure to give access, etc. No relocation assistance and no limitation on rent for new tenant.

CAA believes this needs to be clarified. Does simply stating a reason on a termination notice suffice or must one go through the formal eviction process to categorize the termination as a “for cause” termination?

No fault evictions. A housing provider may evict for “no fault” (of the tenant)—owner move in, demolition, substantial rehabilitation subject to approved Capital Improvement Plan, withdrawal from the rental market and compliance with governmental order to vacate the building—subject to paying relocation assistance as set forth below.

The cost and work load to the city for this type of oversight is prohibitive and may affect the new construction, cause confusion for rental owners and residents. CAA does not oppose a formal relocation assistance program when a tenant is being asked to move as a result of Capital Improvements to the property. However, there needs to be clear guidelines to help property owners understand which terminations are “for cause” vs “no cause” and a clear process for ensuring compliance.

Relocation Assistance—Applicable to All Rental Units

Housing provider to pay one month’s rent that the tenant was paying for each year (or portion thereof) that the tenant occupied the rental unit up to four months’ rent, plus \$1500 moving expense.

CAA requests the City partner with CAA and the AAOR to develop a recommendation to the City Council on this item. However any form of relocation assistance for no-cause terminations should, at a minimum, be targeted for those families who need help the most and there should be a means test to qualify for relocation assistance.

Except for owner move in evictions, tenant may choose to remain in the unit an additional month for every year (or portion thereof)—up to a maximum of four months—but the housing provider's obligation to pay relocation assistance will be reduced by one month's rent for each additional month the tenant remains in the unit.

CAA requests the City partner with CAA and the AAOR to develop a recommendation to the City Council on this item. However any form of relocation assistance for no-cause terminations should, at a minimum, be targeted for those families who need help the most and there should be a means test to qualify for relocation assistance

Monetary Penalties/Enforcement

- Significant fines and penalties can be imposed against a housing provider who violates the Ordinance, including misdemeanor charges for illegal behavior that is ongoing or egregious.

CAA respectfully request that this clause be clarified in the ordinance to give the public an understanding of what this means and who has standing to bring about charges against a property owner

- Housing providers are prohibited from retaliating against a tenant who has exercised his/her rights under the Ordinance.

As this is currently law in the State of California, CAA agrees, in concept, with this item.

- Tenants can recover actual and punitive damages against any housing provider who engages in an unlawful eviction process.

As this is currently law in the State of California, CAA does not oppose this provision in concept

- The City can enforce the Ordinance, including asking the court to assess penalties up to \$10,000 per violation.

CAA requests that clarification be provided to the public as to the parties that will be able to petition the court, on whose behalf and who would bear the cost for this action

Annual Review/Sunset Provision

Staff to provide an annual review highlighting the effectiveness of the program and data on the rental housing market (average rent increases, type and frequency of notices of termination, RRAC outcomes, number of binding arbitration cases, etc.) to the City Council. The ordinance will sunset on December 31, 2019, unless the Council affirmatively acts to retain some, or all, of the provisions.

The collection and management of this data as a standalone program could be prohibitive. CAA would like to suggest that the city add this information request to the form for the business license renewal. Further it is requested that this not become a vehicle for a change in the business license fee.

Alameda Renters Coalition

February 2, 2015

To: Mayor Spencer, Vice-Mayor Materrese, Council Members Daysog, Ashcraft and Oddie.

Cc: Interim City Manager, City Attorney, City Clerk. Community Development Director and All Members of the Alameda Renters Coalition Steering Committee.

Subject: Item 6-G, Provide Direction to Staff Regarding Certain Elements of a Proposed Rent Stabilization and Tenant Protection Ordinance.

Dear Mayor and Council Members

The Alameda Renters' Coalition (ARC) respectfully provides the following for your consideration regarding rent increases and evictions in Alameda. We believe there are important principles that must be emphasized and kept in mind during your deliberations. They are that the ordinance regarding rents and evictions must, in the first instance, serve the dual purposes of keeping rents stable and keeping residents in their homes. Recall that it was renters, the majority of Alameda citizens, who brought the issues of excessive rent increases and unfair evictions to the council in 2014.

Why do we say this? It's because too much discussion has focused more on landlords' "right to a fair return" rather than on rent stabilization and tenant protection. So much so that it seems tenant concerns have been marginalized throughout the proposals. This is not as it should be. The rent crisis was not created by the tenants but by excessive rent increases and unjust evictions by too many Alameda landlords. Again, we ask you to keep this in mind.

Cap on Maximum Allowable Increases.

Without a cap on rent increases, rents quickly become unaffordable and rent stabilization is not achieved. We have consistently called for a rent cap at 65% of the Bay Area CPI, in line with numerous other California cities. Despite this, staff has never provided data indicating why it is not possible for landlords make a fair return with rent increases capped at 65% of the CPI nor even addressed it as a reasonable option for Alameda. Neither staff nor council provide a rationale for uncapped rent increases nor provide data regarding the cumulative effects of uncapped rent increases. Uncapped rent increases do not stabilize rents and ultimately lead to displacement.

Similarly, the proposed 5% rent increase threshold to trigger mandatory review by the Rent Review Advisory Committee (RRAC) is not related to any economic metric, such as the CPI. And again, no analysis of the cumulative effect of 5% rent increases is provided. Cumulative 5% annual rent increases show that after three rent increases, a \$2,000 apartment will cost **\$2,315 (a \$315 monthly increase)** and after five rent increases, the rent will be **\$2,552 (a \$552 monthly increase)**. These are not affordable rents and increases like this do not achieve rent stabilization.

Alameda Renters Coalition

On the other hand, rent increases at 65% of CPI show that a \$2,000 month rent amount increases to **\$2,098 (a \$98 monthly increase)** after three increases, and to **\$2,165 (a \$165 monthly increase)** after five rent increases. Rent increases at 65% of the CPI stabilizes rents and protects tenants from economic displacement.

Meanwhile average income growth has been 2% per year¹ meaning that Alameda families will fall farther behind each year without a cap. To truly stabilize rents, increases must be limited to 65% of the Bay Area Consumer Price Index, which is currently 2.4%, making 1.6% the allowable increase.

Capital Improvement Plan (CIP)

Landlords must not be able to evict tenants for substantial rehabilitation. Rather, tenants may be temporarily relocated if necessary for substantial rehabilitation. Landlords may relocate tenants within the same building or perform the rehabilitation with tenants in place. In all cases, all moving costs and additional living expenses related to the relocation are to be paid by the landlord. Temporarily displaced tenants have a right to return to the building and their unit.

The CIP must be approved by the City of Alameda prior to the landlord taking any action to relocate tenants. The CIP must include approved building plans and building permits, and any other permits and approvals required by law.

No Cause Eviction Protections.

An ordinance that allows no cause evictions does not provide tenant protection. The various proposals for payment of relocation benefits, limitations on subsequent rent increases for new tenants, and limiting the number of no cause evictions do not provide adequate tenant protections or housing security for current tenants.

For cause evictions and certain no fault evictions allowed under state law remain available to landlords.

Cap on the Number of No Cause Evictions.

Because we oppose all no cause evictions, we cannot envision a circumstance where multiple no cause evictions are acceptable.

Relocation Assistance

All rental property must be treated identically without special preference. Relocation assistance is to be provided to each tenant in a lump-sum amount to be determined by the Rent Board or the RRAC and based on a replacement unit of similar quality and type at the current market rent. The relocation assistance payment, plus moving expenses, is to be provided to the tenant(s) at the time of serving the notice to quit.

Relocation assistance based on the tenant's current rent up to four months as proposed is

¹www.city-data.com/city/Alameda-California.html

Alameda Renters Coalition

insufficient and does not account for dramatically higher rents that vacating tenants will encounter.² Also, reducing the relocation assistance because a tenant remains in the unit beyond 60 days is unreasonable. It is not reasonable to expect tenants to both continue paying rent and save money for a new unit elsewhere. This is not a tenant protection.

Relocation Benefit Exemption for “Mom and Pop” Property Owners.

The staff report provides a definition of a so-called “mom-and-pop” property as one comprised of 2-4 units. Alameda has 4,648 such rental units totaling nearly 28% of Alameda's rental housing.³ An exemption for these landlords will create a large separate group of tenants deprived of benefits available to other tenants. This outcome would have the opposite effect of a tenant protection.

No data is provided to substantiate the claim that mom-and-pops are not able to afford payment of tenant protection benefits. In fact, the claim is contradicted by statements from experts in the real estate industry regarding the current financial conditions of small and mom-and-pop rental property owners.

For example, in October, 2015, Lawrence Yun, Sr. Vice-President of Research with the National Association of Realtors, wrote:

*In August (2015) rents spiked 3.6 per cent over the same time a year earlier, the fastest pace since 2008. Naturally, people collecting rents are thrilled with the gains they are seeing. Both large apartment investors and mom-and-pop landlords are enjoying the best conditions they've seen in years.*⁴

Zillow's Chief Economist, Dr. Stan Humphries, discussing the Bay Area in an article titled, “Best Cities for Small Landlords,” wrote:

*The greatest returns are actually in markets like San Jose and San Francisco where there are short-term monthly losses, but the long-term earned equity makes them the best markets to invest in.”*⁵

We contend that the Oakland-Alameda real estate markets are nearly indistinguishable from San Francisco and San Jose regarding profitability. Given these facts, claims that landlords can't afford tenant protection benefits is an unsubstantiated and spurious claim. An exemption like this does not support the principle of tenant protection.

The Rent Increase Process and the RRAC.

² Alameda's median gross rent increased 54% between 2000-2013, BEA Urban Economics, October 27, 2015, City of Alameda Rent Study, p. 25; Oakland rents increased 12.1% in 2014, SF Biztimes, 2/11/15 and increased by 19% in 2015, Zumper, 12/15.

³ Bea Urban Economics, October 27, 2015, City of Alameda Rent Study, page 21.

⁴ Yun Lawrence (Sr. VP of Research at the National Association of Realtors) October, 2015, “Why Renters Can’t Make the Move,” <http://realtormag.realtor.org>

⁵ Humphries, Stan Dr. (Zillow Chief Economist) August 26, 2014, “Best Cities for Small Landlords,” Apartment Management Magazine.

Alameda Renters Coalition

We do not support the proposed mediation/arbitration configuration proposed by the council. Mediation that is non-binding does not provide rent stabilization. Arbitration is expensive, time consuming, overly complex and unfavorable to renters.

Elected Rent Board. The composition of any body hearing rent and eviction issues must reflect the broadest spectrum of Alameda residents. To this end, we propose an elected Rent Board.

Rent increases above the annual cap must be sought and approved through petition to the Rent Board. A Hearing Officer hears petitions in the first instance and considers tenant hardship, previous rent increases, the landlord's operating costs, providing a fair return on the property and whether the increase is consistent with the principles of rent stabilization and tenant protection.

Decisions by the Hearing Officer may be appealed to the Rent Board by either party with the landlord bearing all costs, if any. All hearings conducted by the Hearing Officer and the Rent Board are public. Decisions of the Rent Board are final

The RRAC. Cases are initiated through the RRAC by landlords seeking rent increases above 5%. The RRAC may consider tenant hardship, previous rent increases, the landlord's operating costs, providing a fair return on the property and whether the increase is consistent with the principles of rent stabilization and tenant protection.

The RRAC must be free to recommend rent increases of less than 5%. The circumstance may arise where at the conclusion of a RRAC hearing, the RRAC might conclude the landlord has not proven the claim for a 5% rent increase. Otherwise, the RRAC simply guarantees minimum 5% increases to all landlords filing for increases.

Additionally, tenants must be provided the opportunity to bring rent increases below 5% to the RRAC. As previously noted, cumulative 5% rent increases have significant negative financial impacts and can lead to economic displacement. Tenants must be assured of an impartial and safe forum to bring those grievances.

Resolved and withdrawn complaints. 40% of complaints filed with the RRAC are taken off calendar and never heard.⁶ The RRAC must retain jurisdiction of complaints once filed, particularly when complaints are referred to outside mediators. The parties must be required to appear at the RRAC and disclose the terms of agreements.

Outside mediators must be disclosed as part of the public record. The RRAC must provide oversight of mediators and impose accountability and transparency to ensure the mediation process is fair, unbiased and carried out in an equitable and even-handed manner. Quarterly and annual reports must be required regarding the progress and results of mediation including the mediated rent increase amount.

⁶ Rent Review Advisory Committee, January, 2016, *2014-2015 Case Summaries-with RRAC Recommendations*.

Alameda Renters Coalition

Written policies and formulas must be developed and implemented by the RRAC for calculating rent, including: capital improvement pass-through; “banking” rent increases; shifting utility costs to tenants; changes in parking fees; and changes in pet deposits or charging pet rent.

One-Year Leases

While we support initial one-year leases for both new tenants and for tenants present in a unit upon adoption of the ordinance, we are unsure how the provision will operate in subsequent years. We can not determine whether a situation in which an existing tenant is not offered a subsequent one-year lease constitutes a no cause eviction under the ordinance and entitles the tenant to relocation benefits.

Program Fees

We support an annual program fee of \$120 per year per unit. The fee is paid entirely by the property owner. The program fee pays the cost of hearings, program staff, data collection and all other necessary administrative and enforcement costs.

Data Collection

Data on notices to vacate and evictions must be collected, as well as all rent increases, not only those at 5% or above. The City of Alameda must be concerned with the needs and experiences of all residents. Setting an arbitrary cutoff of 5% will bias the data set. It will make “normal” appear skewed and will not present a true picture of rents in Alameda.

Landlords must be required to report all rent increases, notices to vacate and evictions to the Housing Authority. The types of data to be collected include:

1. All rental units in Alameda must be registered within the first year of enacting the ordinance. All current rents must be reported which will constitute the base rent. Additional information to be reported includes the housing unit type and the number of units on each property.
2. Rent increases are to be segregated by housing unit type and by the number of units at each property.
 - a. Studio, one bedroom, two bedroom, three bedroom, etc., single-family residence and condominium.
 - b. Single-family (attached and detached), 2-4 units, 5-19 units, 20-49 units and 50 or more units.
 - c. Changes in the base rent that occur as part of tenant turnover.
3. Evictions are to be segregated as to whether the eviction was for-cause or no fault and including specific details.
 - a. For cause: failure to pay rent, breach of lease, nuisance, failure to give access.
 - b. No fault: owner move in, demolition, withdrawal from the rental market, compliance with a government order to vacate.

Annual Review. Based on the data collected on rent increases and evictions reported during the previous 12 months, an annual review is to be provided to the City Council. That review

Alameda Renters Coalition

is to include mean and average rent increases and a detailed analysis and presentation of the data collected for Items 1 and 2 above.

Sunset Provision

We oppose a sunset provision. In case the council adopts such a provision, a 90-day notice to the public must be required prior to the sunset provision taking effect.

Thank you for your consideration.

Best wishes.

Catherine Pauling	Monty Heying
Duane Moles	John Klein
Bunny Duncan	Helen Gilliland
April Squires	Jennifer Orsolini
Jason Buckley	

Steering Committee

The Alameda Renters' Coalition

LARA WEISIGER

From: Dee Ostrofsky-Williams <staff@AlamedaAOR.org>
Sent: Tuesday, February 02, 2016 3:11 PM
To: LARA WEISIGER
Subject: FW: Item 6-G on Feb 2, 2016 Agenda
Attachments: Principles_RentStabilization_CityCouncil_Feb2.pdf

Ms. Weisiger,

My apologies for omitting you from this initial email.

Regards,

Dee Ostrofsky-Williams

Association Executive
Alameda Association of REALTORS®
www.alameda.REALTOR
510.523.7229 | f510.521.2134

From: Dee Ostrofsky-Williams [mailto:staff@AlamedaAOR.org]
Sent: Tuesday, February 2, 2016 2:56 PM
To: Frank Matarrese (fmatarrese@alamedaca.gov); Jim Oddie (joddie@alamedaca.gov); Marilyn Ezzy Ashcraft (mezzyashcraft@alamedaca.gov); Tony Daysog (tdaysog@alamedaca.gov); Trish Herrera Spencer (tspencer@alamedaca.gov)
Cc: lwarmerdam@alamedaca.gov; 'jkern@alamedacityattorney.org'
Subject: Item 6-G on Feb 2, 2016 Agenda

To Mayor Spencer and Councilmembers,

Please accept the attached document on behalf of the Alameda Association of REALTORS®.

Thank you.

Dee Ostrofsky-Williams

Association Executive
Alameda Association of REALTORS®
www.alameda.REALTOR
510.523.7229 | f510.521.2134

Principles of Agreement Concerning a Proposed Rent Stabilization and Tenant Protection Ordinance

Set forth below is staff's understanding of the City Council's Principles of Agreement concerning a proposed Rent Stabilization and Tenant Protection Ordinance that staff will use as a roadmap for the Ordinance that will be presented to the City Council at its February 16, 2016 meeting.

Rent Increases

1. *Offer of One-Year Leases.* Housing Provider must offer a one-year lease to any prospective tenant.

AAOR agrees and would like to ask would there be an exemption for someone who is travelling for less than the prescribed term wishing to rent their residence.

2. *Frequency of Rent Increases.* Housing Provider shall not increase rents more than once every 12 months.

AAOR agrees and would like to suggest a provision be made for a tenant/landlord agreement that would allow the increase to be split into installments accruing to the amount of the posted increase.

3. *No Cap on Maximum Allowable Increase.* There is no cap on an annual maximum allowable rental increase above which a housing provider may be granted a higher increase through an administrative hearing process (i.e., no "traditional" rent stabilization)

AAOR is in agreement on this point

4. *Rent Increase Process.* A housing provider may propose to raise rents to whatever amount the housing provider believes is warranted assuming the following processes are followed:

Notice of the Availability of a Rent Review Process.

- If a Housing Provider intends to increase rents by 5% or less, Housing Provider must notify the tenant of the availability of a rent review process through the RACC.

AAOR is in agreement however, requests the threshold be revised to 7%

- The rent increase goes into effect prior to completion of the rent review process.

AAOR is in agreement on this point.

- If Housing Provider fails to provide proper notice to tenant, the rent increase is void but Housing Provider may re-notice.

AAOR is in agreement on this point.

Housing Provider to File a Notice of Rent Increase with the Housing Authority.

- If a Housing Provider intends to increase rents by more than 5%, the Housing Provider must (a) notify the Housing Authority who will schedule a RACC hearing and (b) notify the tenant that the rent increase will be reviewed by the RACC.

AAOR is in agreement on this point however, requests the threshold be 7%

- Rent increase will not go into effect until rent review process has been completed.

AAOR requests that the increase be effective immediately.

- If Housing Provider fails to notify the Housing Authority/tenant, rent increase is null and void and no rent increase is allowed for 12 months.

AAOR is in agreement on this point.

5. **RRAC Process.**

- A person with an ownership interest in the property must attend the hearing (tenant- or landlord-initiated); if not, the rent increase is void and no rent increase for 12 months.

AAOR requests the wording in this clause include the owner be allowed to send a representative who is given the written authority to bind the owner to the agreement.

- The Committee may take into consideration such factors as the hardship to the tenant, the frequency and amount of prior rent increases, the housing provider's costs of operation, and providing the housing provider with a fair return on the property.

The RRAC is not chartered to deliberate and render an opinion on what would be a fair rate of return. "Fair rate of return" is speculative and not codified or identified in the State of California. The RRAC should continue to mediate an agreement between the parties to the best of its ability and allowance under its Charter.

- The Committee may recommend whatever rent increase it believes is fair.

The RRAC is not a judicial oversight body. AAOR recommends this clause be removed.

- If the housing provider does not agree with the Committee's decision, unless the rental unit is exempt under Costa Hawkins (e.g., a single-family residence) the housing provider must file a petition to have a neutral hearing officer consider the rent increase. If the housing provider does not file such petition, the rent increase is void and no rent increase is permitted for 12 months.

AAOR would point out that this is rent control and should not be part of the final ordinance.

- If the rental unit is exempt under Costa Hawkins, the Committee's recommendation is non-binding. There may be an appeal to the City Council but its recommendation is likewise non-binding.

AAOR is in agreement on this point.

- If the tenant does not agree with the Committee's recommendation, unless the rental unit is exempt under Costa Hawkins, the tenant must file a petition to have a neutral hearing officer consider the rent increase. If the tenant does not file such a petition, the rent increase shall be as recommended by the Committee

AAOR is in agreement on this point.

- If the rental unit is exempt under Costa Hawkins, the Committee's recommendation is non-binding but the tenant may appeal to the City Council but the Council's recommendation is likewise non-binding.

AAOR is in agreement on this point.

6. *Binding Arbitration.* Any appeal of a RRAC recommendation will be subject to binding arbitration by a hearing officer for units subject to Costa Hawkins. The hearing officer will conduct an administrative hearing concerning the rent increase taking into consideration similar factors as did the Committee. The hearing officer will issue a binding decision, subject only to judicial review.

AAOR would point out that this is rent control and should not be part of the final ordinance.

Limitations on Evictions—Applicable to All Rental Units

“No cause” evictions. A housing provider may evict for “no cause” subject to:

- payment of relocation benefits (described below)
- limitation on rent increase for new tenant
- limitation on the number of “no cause” evictions permitted per year

For cause evictions. A housing provider may evict “for cause”—failure to pay rent,

breach of lease, nuisance, failure to give access, etc. No relocation assistance and no limitation on rent for new tenant.

No fault evictions. A housing provider may evict for “no fault” (of the tenant)—owner move in, demolition, substantial rehabilitation subject to approved Capital Improvement Plan, withdrawal from the rental market and compliance with governmental order to vacate the building—subject to paying relocation assistance as set forth below.

AAOR would like to suggest that Staff continue to research alternative options and would like to meet with staff to discuss programs currently available, put no limit on evictions and no Capital Improvement Plan approval process. We believe that the cost and work load to the city for this type of oversight is prohibitive and may affect the new construction and redevelopment review capabilities throughout the city.

Relocation Assistance—Applicable to All Rental Units

Housing provider to pay one month’s rent that the tenant was paying for each year (or portion thereof) that the tenant occupied the rental unit up to four months’ rent, plus \$1500 moving expense.

AAOR would like to suggest that Staff continue to research alternative options.

Except for owner move in evictions, tenant may choose to remain in the unit an additional month for every year (or portion thereof)—up to a maximum of four months— but the housing provider’s obligation to pay relocation assistance will be reduced by one month’s rent for each additional month the tenant remains in the unit.

AAOR would like to suggest that Staff continue to research alternative options.

Monetary Penalties/Enforcement

- Significant fines and penalties can be imposed against a housing provider who violates the Ordinance, including misdemeanor charges for illegal behavior that is ongoing or egregious.

AAOR respectfully requests that this clause be clarified in the ordinance to give the public better understanding of its meaning and purpose.

- Housing providers are prohibited from retaliating against a tenant who has exercised his/her rights under the Ordinance.

As this is currently law in the State of California, AAOR is in agreement on this point.

- Tenants can recover actual and punitive damages against any housing provider who engages in an unlawful eviction process.

As this is currently law in the State of California, AAOR agrees

- The City can enforce the Ordinance, including asking the court to assess penalties up to \$10,000 per violation.
AAOR requests clarification be provided to the public as to the parties that will petition the court, on whose behalf and who would bear the cost for this action

Annual Review/Sunset Provision

Staff to provide an annual review highlighting the effectiveness of the program and data on the rental housing market (average rent increases, type and frequency of notices of termination, RRAC outcomes, number of binding arbitration cases, etc.) to the City Council. The ordinance will sunset on December 31, 2019, unless the Council affirmatively acts to retain some, or all, of the provisions.

The collection and management of this data as a standalone program could be prohibitive. AAOR would like to suggest the city add this information request to the form for the business license renewal. Further it is requested this not become a vehicle for a change in the business license fee.

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Feb., 1, 2016

Fax 510-865-4048

Take into account: Vote: No Please - Vote: No on Part of Cause
Re: Rent Control / No Cause Eviction

I am a senior, that lives yearly off of the small 5 unit building. The source of my income.

I have always try to do right. For years rents, I didn't raise rents. I have rents low now for a rental. I can not refinance and can't go in debt to put in new kitchens or baths and etc. If I could how to pay for debt. Or if could, I would need to increase rents to what rents are now and this also be a hardship on me. All cost, labor, taxes, insurance, management is increasing. The small landlord business will be impacted tremendously because of what the Rent Control / No Cause Eviction would have.

I am very concern

(Continued)
to page 2

Jap 512-865-4048

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about the "McCauley Eviction". What if I the land lord "Senior" needed to move into one of the units, this be a heavy cost, extreme cost. After all the years of working on units (general upkeep and lots of cleaning on hands and knees), that I could not live on the property (without a cost to me) that is rightfully the owners.

I do have respect for the wonderful renters that live on my property, as this is their apartment home and I want their best too. However, let the landlord and tenant come to their written agreement without the rent control and McCauley Eviction.

Maybe it has been "big" apartment complexes and corporate bldgs (buildings) that have caused the biggest harm to the small landlord. That had tenants best interest too was me the small landlord. Sincerely + Thank You Janice Metzner

January 22, 2016

Mayor Trish Spencer
Alameda, California

My name is Harold Mackenzie, my wife (Jean) and I own rental properties in Alameda. We have owned and operated them since 1956 with only one instance where a forced eviction was necessary due a tenant lease violation. Although a forced eviction, we mediated an agreeable solution with the tenant. This is our experience and perception of what a tenant landlord relationship should be. Our opinions are neutral without benefit to either party.

That being said, this has worked fine for us all these years, up until the current Alameda City Council decided it necessary they intervene in this relationship by the creation of Rent Control in Alameda. Rent control is more about ideology and emotion than study or impartial analysis, generally driven by political action groups providing many unverified statistics through voluminous and anonymous testimony. Testimony by tenants and tenant coalitions claim excessive rents are causing financial burden and forced evictions, however, many of these claims appear unsubstantiated.

Owning and managing rental properties is a business and operates as any other business providing goods and services. It has income and expenses which vary as any other business. This requires many hours of dedication and hard work despite the disparaging and demeaning remarks made by tenants coalitions that Landlords stand by their mailbox waiting for rent payments. Housing providers are under constant attack to defend their credibility as a legitimate business

Available studies have cited Rent Control as a failed policy, the universal verdict being that in a "mild" form it is beneficial to renters. However, in stringent forms, such as the model being proposed by Alameda Council members, it creates shortages of housing, as smaller owners sell out to larger out of town investors. It further creates poorly maintained units as a result of diminishing maintenance funds, and a lack of Landlord incentive.

Rent control is a direct result of failed government policy. The large influx of population to Bay Area cities during the past several years is no surprise to anyone. In fact I predicted it several years ago in the Alameda Journal, referring to Alameda as the future Manhattan West. As population increases, demands on goods and services increases. In turn as demand increases prices escalate. However, Alameda, like other cities, ignoring this obvious trend, has failed to encourage sufficient building of low cost housing. This oversight has caused rents to escalate dramatically. Alameda City Councils' solution to this problem appears to be passing the responsibility of providing low cost housing on to Landlords in the form of Rent Control.

Landlords owning 10-25 units and can ill afford the financial burden of rent Control, which can only be described as local governments being complicit with tenant political action groups in extorting money from Landlords to support a program which, by all rational thinking is the local governments responsibility.

We attended most if not all meetings concerning rental issues and have no recollection of small landlords being accused of excessive rent increases. Yet "All" landlords are being punished as a "class" for the onerous deeds of a few. To punish an entire class of people for the actions of a few appears to be regressive in nature and indicates those in charge lack an understanding of the problem or the ability to formulate proper remediation.

Rent control is about local Governments setting limitations on earned income of a business, depriving the owner of necessary funds to maintain their property in an efficient manner. The deprived income is then transferred to a tenant who realizes it as added income, or more appropriately redistributed income. Additionally the local government imposes exorbitant fees on Landlords, supposedly to "fund" the Rent Control program. This of course does not include the "relocation fees" as proposed by the City Council, which appear to be exorbitant, having no correlation to actual cost.

Some municipalities justify these relocation fees by claiming that first and last months rent and cleaning deposit are added expenses for the tenant. The first and last months rent are just that, first and last months rent, and have no relationship to new or added costs, they are rent the tenant would

have to pay whether or not they moved. The cleaning deposit would be returned when and if the tenant moved and caused no damage, therefore, could applied forward. There is no rational explanation for these fees other than the unbelievable “because I said so” scenario. The moving fees appear exorbitant by any measure. In our experience tenants have used their own or rented vehicles to move their items of furniture, neither of which incurs the costs proposed by Alameda City Council. These fees are blanket punitive damages awarded by ordinance, which should be decided on a case by case basis, based on actual cost.

In my previous letter I expressed the opinion the I always considered Alameda to perform above accepted levels. It appears that may have been true in the past, however, currently the Alameda City Council has displayed favoritism to Tenant coalitions and ignored any and all suggestions or opinions made by individual or professional Landlord representatives.

We are also disappointed that no effort has been made by the City Council to seek out small landlords in an effort to solicit opinion and ideas from them. Instead a “few” larger Landlords, individually or collectively were selected to opine on the subject of Rent Control. The process of studying rent control, initiated by the City Council in November 2014, appears to not been conducted in good faith by either the City Council, Mr. Cambra, or Tenant Coalitions. Tenants, Council and Landlords should remember to not have a disproportionate belief of the importance and accuracy of their own ideas. The end result should not benefit one class and be punitive to the other class. Currently the option proposed by City Council is financially punitive to landlords, and financially beneficial to tenants.

Currently several Bay Area cities are having issues with their Rent Control programs. It appears the primary issue is one of excessive complaints by Tenants which are overloading the hearing boards. This appears to be one of the associated problems rent control brings with it. Could it be that tenants know if they overload the program all rents will stagnate.

The sunset clause is the “carrot” offered to Landlords, however, will undoubtedly never occur, the primary example being New York. These programs also become a “cash cow” for local governments to initiate and support added programs and staff which will be funded by monies extorted from Landlords in the form of license, registration and other associated fees

imposed by the city. Once initiated government programs grow.

Alameda could have and should have done better with regards to solving the housing issues. There are cities very close to Alameda which have instituted rent adjustment programs which are less onerous than that proposed by Alameda City Council and staff. It would be wise not to institute the "Boiler Plate" rent control programs other cities currently have, witness the current problems in several Bay Area cities with regard to spiraling operating costs, out of control costs being passed on to Landlords in the form of "fees", and excessive complaints by tenants which overload the hearing boards. Could it be that tenants know if they overload the program all rents will stagnate.?

This whole process was initiated to resolve escalating rents and affordable housing. Mediation has been used to describe what most people believed to be the most effective resolution to tenant landlord issues. The Rental Review Advisory Committee would have been the most expedient and effective way to handle these issues. The committee was in place, however, needed some changes in order to address concerns expressed by tenants. The City Council, under pressure, from outside influence is taking the approach of instituting Rent Control. I would urge you to reconsider this option, as studies have shown it to be ineffective. Do not make Alameda one of the "very few" cities in the United States with Rent Control.



Harold & Jean Mackenzie, 3263 Thompson Ave.
Alameda, California, 94501 (510) 523-8865

Cc: Council Members:

Frank Mataresse

Tony Daysog

Marilyn Ashcraft

Jim Oddie