

Dear Council Members and Council Staff,

Thank you for the opportunity to present the data that we, the Alameda Housing Providers Association (AHPA), have collected regarding the no cause tenant terminations in Alameda since Ordinance 3148 took effect. Several of our members contacted the landlords of the no cause properties and asked them about the details of the termination. We have removed identifying information about each property to respect the privacy of the owners to whom we spoke.

It is interesting that the termination reason codes that owners are required to state on their AHA paperwork (eg. owner move-in, withdrawal from the market, CIP, no cause etc.) do not necessarily reflect what happens in real life. For example, often when owners filed no cause to sell the property vacant, the new owners then moved into the property, essentially removing the property from the rental market. Some owners planned on doing substantial construction to their properties but filed under no cause rather than CIP. There are several cases where the landlord followed the Ordinance to the letter and the tenant did not, leading to legal action on the owner's part. The Ordinance did not work as it is supposed to for those owners and they bore the cost. The "no cause" termination category is complex and at face value doesn't tell the full story from both the tenant's and landlord's perspectives.

In summary, out of a total of 26 no cause terminations, we found that:

1. Over half, 15 cases out of the total 26, were because the owner was selling the property and getting out of the rental business. Most of these owners expressed frustration with Ordinance 3148 and said they would prefer to get out of the rental business rather than deal with the Ordinance. These property owners have been pushed out of Alameda. Wherever they happen to live, they have lost a piece of their connection to Alameda by selling their investment property because they felt "under siege".
 - Many of the new owners moved into the property themselves or moved family in. Some remodeled before moving in, others did not. One new owner, previously a renter who had been unsuccessful trying to buy a traditional SFR, bought a multi-unit Victorian to remodel back into a SFR and move into himself. These properties have been removed from the rental market because they are now owner-occupied.
 - One of the property owners is selling specifically to have money to support her mother. So far the tenant has been unresponsive to the termination notice. The owner may have to pursue legal action that she cannot afford.
 - One owner felt overwhelmed by the Ordinance and said she did not get the support she needed from AHA. She is renovating her duplex property back into a SFR and will then put it on the market for sale. She will not be able to afford to live in Alameda and will move out of the city.
 - One owner offered the property to his tenant to purchase. The landlord paid the tenant relocation fees as set forth in the Ordinance. The tenant declined to purchase that property and instead purchased a home in Livermore for \$810,000.
 - One owner paid her tenant half the relocation fees after beginning the no cause termination process under the Ordinance. The tenant is still in the property, stating that he/she requires more time and money. The owner has had to get a lawyer to go to Superior Court.
 - Similarly, another owner paid the tenant half of the relocation fees but the tenant did not move out. The owner hired a lawyer and eventually went to a jury trial where the judge said that the owner had a strong case but he wanted the tenant and landlord to settle. The tenant wanted \$100,000. The owner and tenant settled for an undisclosed amount. The owner said that by the time he paid the law firm and the tenant, it was

close to \$100,000. This owner inherited the property and planned to do substantial remedial construction. At this point, he has no money for construction and 3 of the 5 units are vacant. The landlord followed the Ordinance exactly but ended up at Superior Court in a very expensive unlawful detainer case.

2. 3 cases were filed by landlords who looked into the CIP process but decided that the CIP did not work for them. The main reason given was that the CIP did not allow for the recovery of their proposed investment in a reasonable amount of time. The AHA calculation for the allowable rent increase would mean the capital improvement investment would be recovered in 27 years, which is almost 3 times the length of time that the US tax code generally allows for amortization of capital improvements. The CIP didn't allow for much more of a rent increase than a no cause termination would, and the owners didn't want to deal with the significant additional paperwork and oversight from the AHA.
3. 1 case was an owner move-in. The property is a duplex and the owner moved into one unit and has left the other one vacant. He would rather leave that unit vacant than rent it.
4. 1 landlord could not be reached.
5. 6 cases involved "problem tenants". These tenants could theoretically be taken to Superior Court but that process is extremely expensive for landlords and the burden of proof is wholly on them.
 - One tenant had an unauthorized dog who bit someone and who moved extra people into the unit. The owner incurred \$3000 in damages to the apartment.
 - One tenant was the "tenant from hell", as described by the landlord, bringing in unauthorized roommates and pets, being loud and abusive to the landlord and other tenants, being retaliatory to the other tenants who complained about her behavior, vandalizing the property common areas and repeatedly claiming that she paid rent when she had not.
 - Several owners did not want to speak about their problem tenants because they did not want to be retaliated against by the tenant or the general public. They didn't want their words to be twisted to support the idea of the "greedy" and "evil" landlord and would prefer to keep their business affairs private.

We do not know where all the tenants who were affected by the no cause terminations went. Sometimes the landlords knew and shared that information with us:

- 12 of the 26 total no cause tenants remain in Alameda
- 1 tenant purchased a home in Livermore
- 1 tenant moved to San Ramon to be closer to work
- 1 tenant moved to the East Coast, which he had been thinking about doing anyway

Likewise, we do not know the length of tenancy for every tenant. This is what 8 property owners shared with us:

- 3 tenants were in their units for 4+ years
- 3 tenants residencies were 6-7 years long
- 1 tenant was in the unit less than 1 year
- 1 tenant was in the unit for 3 years
- in 1 case, the tenant was related to the owner

The property types fell into the following categories:

- 7 SFR
- 7 duplex
- 3 townhome/condo
- 9 multifamily units (3 units and more)

Out of a total of approximately 15,000 rental units in Alameda, 26 tenants were given no cause terminations. It does not appear from these statistics that tenants are being evicted en masse from Alameda. Of the 26 no cause properties, over half were due to the owner selling the property and many of those properties were removed from the market after they were sold. The Ordinance is having an unanticipated effect in that rental units are being removed from the market. This effect is being seen from various angles throughout the city, for example, from realtors who know the history of each property when it comes on the market. It is also an effect that was seen in Berkeley after that city enacted strict rent control.

Alameda has stabilized its rental housing with Ordinance 3148. Why does the Ordinance need to become ever more restrictive when the data shows that there is very little left to "fix"? It is an Ordinance that some property owners have already found too onerous and subsequently left the rental business entirely. If the Ordinance is made yet more complex and punitive, we believe that more owners will leave the business, making the housing shortage more severe and worsening a problem that was supposed to be alleviated. Just as we could not get the full picture of rental terminations just by looking at the category codes under which they are filed, each tenant-landlord relationship is unique and a one size-fits-all approach does not work. We urge you to leave 3148 alone.