

LARA WEISIGER

From: Paul Foreman <ps4man@comcast.net>
Sent: Wednesday, May 10, 2017 1:25 PM
To: Trish Spencer; Malia Vella; Frank Matarrese; Marilyn Ezzy Ashcraft; Jim Oddie
Cc: Michael Roush; Claudia Young; Jill Keimach; Janet Kern; LARA WEISIGER
Subject: Staff Report Concerning Amendments to Rent stabilization Ordinance

Dear Council and Staff:

As one who has commented extensively on the issues of fixed term leases and no cause evictions, I read the Staff Report attached to the May 16 Council meeting with great interest. My comments on the same follow:

Fixed Term Leases: I am very pleased with the Staff recommendations concerning the issues of relocation payments and rent increases. Staff has done a great job of balancing the interests of both landlords and tenants in giving landlords the right to offer an original fixed term lease without the payment of relocation costs if the tenant is not offered a subsequent lease, but subjecting the landlord to relocation payments on termination of any subsequent lease to the same tenant. However, a drafting error in the new Section 6-58.150 F that is very injurious to landlords and provides a windfall to tenants has been noted by myself and another Alameda resident lawyer. I am certain that the Staff intent was to require a relocation payment only when the landlord terminates the subsequent lease. However the language of the Section is "the Landlord shall pay a relocation fee to the Tenant at the end of the Tenancy." This language would require a relocation payment when the tenant left voluntarily! The language needs to be changed to require the payment only if the landlord terminates the tenancy.

I also commend Staff for providing assurance that a rent increase demand on the termination of a fixed term lease will be subject to rent review.

No Cause Eviction: Staff and AHPA have both done a good job of researching the subject. This data clearly indicates to me that there is not basis whatsoever to give any further consideration to eliminating no cause evictions. Council was very wise in retaining no cause eviction in the current Ordinance, while at the same time penalizing landlords who do so with relocation payments and a 5% vacancy control for the subsequent tenant. There is not a shred of evidence in the data that indicates that landlords are using no cause evictions to gain new tenants at a higher rent. Indeed, the current Ordinance makes that impossible.

The data from AHPA is very troubling. It appears that the majority of the 24 evictions were really no fault evictions masquerading as no cause evictions. (owner move-in or withdrawal from rental market, or remodeling) The most troubling evictions were from landlords taking the property off of the rental market. I have been arguing for the past year that "draconian" rent control (with particular emphasis on the elimination of no cause evictions) will be very damaging to our rental market by driving landlords out of business. (a pattern very evident in Berkeley and San Francisco) The AHPA data indicates that, even with a relatively moderate Ordinance, we are experiencing the beginning of a loss of rental inventory. The elimination of no cause evictions will, in my view, turn that trickle into a river. The big losers will be the very tenants that you are trying to protect.

The "masquerade" referred to in the immediately preceding paragraph is interesting. The motivation for the masquerade is very clear. Why would a smart landlord go through all the hoops and limitations written into no fault evictions when they can avoid them by doing a no cause eviction? It could be argued that there is no need for any no fault eviction provisions in an ordinance like ours that allows no cause evictions.

Consultant Services: As a taxpayer, I am very wary of hiring consultants unless they are absolutely needed. Staff is recommending the hiring of a consultant to opine on " just cause evictions, revising the formula for calculating

relocation benefits, and a review of the RRAC process including use of a professional mediator with or without the RRAC and the role of the hearing officer." As I have argued above, I believe that the jury is in on the no fault issue. No further information is needed. As for a new formula for relocation benefits, before hiring a consultant, why not survey other rent control ordinances in California. As for the RRAC vs. mediation issue I think a volunteer citizen panel on that subject would yield a good result. In fact that might also work for the relocation formula. I would be happy to serve on such a panel.

I hope this has been helpful. Good Luck on May .16.

Paul S Foreman