

CITY OF ALAMEDA RESOLUTION NO. _____

SETTING A RENT PROGRAM FEE FOR THE CITY'S RENT REVIEW,
RENT STABILIZATION AND LIMITATIONS ON EVICTIONS
ORDINANCE AND IMPLEMENTING POLICIES FOR FISCAL YEAR
2018-19

WHEREAS, on March 1, 2016, the Alameda City Council adopted a Rent Review, Rent Stabilization and Limitations on Evictions Ordinance (Ordinance No. 3148) to protect local tenants from the rapidly increasing cost of rental housing that is the result of rising rents and a tight rental market; and

WHEREAS, Ordinance No. 3148 went into effect March 31, 2016; and

WHEREAS, for fiscal year 2016/2017, the City Council chose to fund the various programs made necessary by Ordinance No. 3148 with General Fund revenues rather than adopt a fee to fund the programs in order to gather more data about the programs and actual cost to administer the programs; and

WHEREAS, the Alameda City Council has adopted and will adopt various Policies, such as the Capital Improvement Plan Policy, that implements Ordinance No. 3148; and

WHEREAS, based on a fee study, to fund the various programs made necessary by Ordinance No. 3148 and its implementing policies in Fiscal Year 2017-2018, on June 6, 2017, the City Council adopted a resolution establishing the Rent Program Fee of \$120 for each rental unit; and

WHEREAS, as part of a periodic evaluation of the amount of the Rent Program Fee, staff through a consultant conducted a fee study ("the Fee Study") to determine for Fiscal Year 2018-2019: (a) the reasonable cost of the services necessitated by the Ordinance/Policies, and (b) the requisite amount of the fee ("the Rent Program Fee") to be imposed on rental property owners to defray the costs of such services; and

WHEREAS, the City retained SCI Consulting Group (SCI) to prepare the Fee Study; and

WHEREAS, as part of the Fee Study, SCI worked closely with the Alameda Housing Authority and the City's Finance, Law and Community Development Departments' staff to understand all of the administrative and enforcement procedures necessary to administer the Ordinance/Policies; and

WHEREAS, the Fee Study for fiscal year 2018/2019 demonstrates that the amount of the fee to be imposed on rental property owners is a function of:

- The number of applicable rental units covered by the Ordinance/Policies

- The amount of staffing to administer the programs (e.g. receiving and tracking rent increase notices, scheduling and staffing hearings before the Rent Review Advisory Committee, reviewing Capital Improvement Plans, providing legal advice and support, billing and collection, enforcement activities, etc.)
- Contracted services (e.g. hearing officers, translators, etc.)
- Materials and supplies to support the administration of the Program (including office space and utilities, program software, printing, postage, office equipment, etc.); and

WHEREAS, SCI, by conducting a rigorous analysis of the April 2018 Assessor's lien roll data provided by the Alameda County Assessor's office and other information that has been submitted to the City concerning rental units in the City, determined that 13,389 rental units in the City would be subject to the Ordinance/Policies (and hence, subject to a Rent Program Fee); and

WHEREAS, the costs associated with the administration and regulation of the Ordinance/Policies include direct and indirect labor costs, contracted services, and supplies cost and the Fee Study confirms that the tasks and estimated associated labor hours, as developed by the City and the Housing Authority staff, are reasonable and accurate; and

WHEREAS, the Fee Study determined the costs attributable to the Ordinance/Policies are estimated to be \$1,586,800; and

WHEREAS, based on the Fee Study, City staff has recommended that the City Council establish for Fiscal Year 2018-2019 a Rent Program Fee of \$106 per rental unit; and

WHEREAS, the Rent Program Fee will be charged annually to rental property owners on a per rental unit basis and will be billed by the Alameda Finance Department; and

WHEREAS, if this Program Fee were not imposed on rental property owners, the City's General Fund would absorb the cost to administer the various programs which would be an unfair burden on taxpayers of the community who neither own rental property nor are renters; and

WHEREAS, for the reasons stated in the agenda report of June 5, 2018, adoption of this resolution is not a project under the California Environmental Quality Act; and

WHEREAS, pursuant to Article XI, § 7 of the California Constitution, the City of Alameda intends to exercise its police power by adopting a regulatory fee, which does not exceed the reasonable cost of providing services necessary to carry out the purposes and provisions of Ordinance No. 3148 and any related Policies hereinafter adopted by the Alameda City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ALAMEDA
RESOLVES AS FOLLOWS:

Section 1. A Rent Program Fee of \$106 is imposed on every rental property owner in the City of Alameda for each rental unit owned and offered for rent, which Rent Program Fee will be billed by the Alameda Finance Department.

Section 2. The Rent Program Fee shall be deemed delinquent if it is unpaid 30 days after the date this Resolution becomes operative.

Section 3. This Rent Program Fee shall be periodically evaluated at the discretion of the Community Development Department to ensure that it reflects the reasonable costs incurred to administer the various services and programs under the Ordinance/Policies.

Section 4. This Resolution is effective immediately upon its adoption but it will not be operative until July 1, 2018.

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the 5th day of June, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Alameda on the 6th day of June, 2018.

Lara Weisiger, City Clerk
City of Alameda

Approved as to form:

Janet C. Kern, City Attorney
City of Alameda