

City of Alameda

Rent Stabilization Ordinance Review

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Management
Partners



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Project Objectives

Relocation Benefits

- Perform comparative analysis with other jurisdictions
- Review ordinance and current practices
- Provide recommendations for Alameda's relocation benefits

Relocation Benefits - Government Ordered Terminations

- Perform comparative analysis with other jurisdictions
- Review ordinance and current practices
- Provide recommendations on current ordinance provisions

Rent Review Process/ Rent Review Advisory Committee (RRAC)

- Perform comparative analysis with other jurisdictions
- Evaluate use of professional mediators/hearing officers
- Provide recommendations on changes to RRAC process

Rent Stabilization Ordinance #3148

- Adopted March 1, 2016; effective March 31, 2016
- Key provisions
 - Requires one-year lease with first rent increase after effective date of ordinance
 - Limits frequency of rent increases
 - Provides rent review for any rent increases
 - Gives authority for the Rent Review Advisory Committee (RRAC) to review and make binding decisions on some rent increases
 - Specifies allowable grounds for landlords to terminate tenancies
 - Provides for temporary relocation benefits during capital improvements
 - Provides for relocation benefits for no fault terminations
- Alameda Housing Authority administers provisions of the Ordinance

Project Approach

- Stakeholder Interviews
 - City staff
 - Housing authority staff
 - Legal counsel
 - RRAC members
 - Tenant stakeholders
 - Landlord stakeholders
- Document and data review
 - Administrative policies/processes
 - Alameda rental housing data
 - RRAC agendas/minutes
 - Housing Authority reports
 - Rent increase/review data
- Research seven California cities with well-established rent stabilization ordinances
 - Berkeley
 - East Palo Alto
 - Los Angeles
 - Oakland
 - San Francisco
 - Santa Monica
 - West Hollywood

Common Characteristics of Rent Stabilization Ordinances

Each Ordinance is tailored to the individual community, but they have some commonalities:

- Limit rent increases to flat percentage or based on consumer price index (CPI-U)
- Limit reasons for terminations to prevent terminations to increase rent to market rates
- Require relocation assistance for no-fault terminations
- Provide protections against retaliation by landlords
- Establish mechanisms to ensure fair return for property owners, given the need to maintain the rental property

Results of Comparative Analysis

Provision	Observations
Allowable rent increases	Most use regional CPI-U as basis for allowance of rent increases ranging from 65% to 100% of CPI-U
Maximum allowable rent increases	Five agencies provide a maximum ranging from 7% to 10%; two have no maximum established
Capital improvement cost pass-throughs	Vary by agency based on regional needs/issues (e.g., earthquake safety incentives, flood protections)
Relocation Assistance	Typically based on number of bedrooms. Some with extra assistance for seniors, disabled, people with minor children and low income tenants. Do not reduce relocation benefits for extended stays beyond 60 days.

Observations on Alameda's Rent Stabilization Ordinance

- Mitigating significant rent increases on tenants
- Discouraging relocating existing tenants to gain higher rent from new tenants
- Providing relocation assistance for no-cause/no-fault terminations
- Providing forum (RRAC) for landlords and tenants to resolve rent disputes

Opportunities for Improvement

Relocation Benefits

- Currently based on existing rental amount, providing highest payments to high-rent tenants
- Tenants paying lower rents receive small relocation benefits. Harder for them to relocate
- Relocation assistance is difficult for smaller property owners to pay
- Temporary relocation benefits are not clear

Termination Notice

- Sixty-day notice is challenging to secure alternative housing in this market
- Extended stay option available to some tenants, but not all tenants in no fault terminations, in exchange for reduced relocation assistance

Government-Ordered Terminations

- Ordinance requires relocation assistance even if property owner is not at fault (e.g., earthquake)
- Payment terms are unclear regarding timing of payment after termination

Opportunities for Improvement

Low Use of RRAC

- Only about 5% of rent increases subject to RRAC review actually go to RRAC
- Intimidating experience can be a disincentive for some to go to RRAC
- Sunshine Ordinance requires all submitted information to be public

Mediation Option

- Preferred by some because it is private and less formal than RRAC
- Staff has had success in resolving disputes
- Professional mediators infrequently used

Hearing Officer Option

- Only one appeal to a hearing officer
- Useful for highly technical issues; some think it would lend a more professional atmosphere
- Concern with the expense of a hearing officer

Role of the RRAC

- Difficult and unusual role – both dispute resolution and quasi-judicial
- Required to make binding decisions with limited information

Key Recommendations

Relocation Benefits

- Change relocation benefits to objective basis such as Housing and Urban Development (HUD) Fair Market Rent survey
- Pursue relocation benefit discounts for single-family residences or owner-occupied properties with fewer than 5 units
- Increase termination notice from 60 days to four months with no relocation payment decrease for no fault terminations, except where government ordered

Government-Ordered Terminations

- Eliminate requirement for relocation benefits for government-ordered terminations when no fault of property owner (i.e., earthquakes)
- Pay relocation benefits within three business days in cases due to fault of property owner and publicize that requirement

Rent Review Advisory Committee

- Require mediation prior to RRAC hearing
- Allow RRAC to refer highly technical decisions to a hearing officer
- Consult with legal counsel to amend Sunshine Ordinance to protect confidential or sensitive information
- Provide clarity in RRAC roles/responsibilities and training to better address privacy issues, decision-making, and variety of rent increase situations

Questions?

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Contact Information

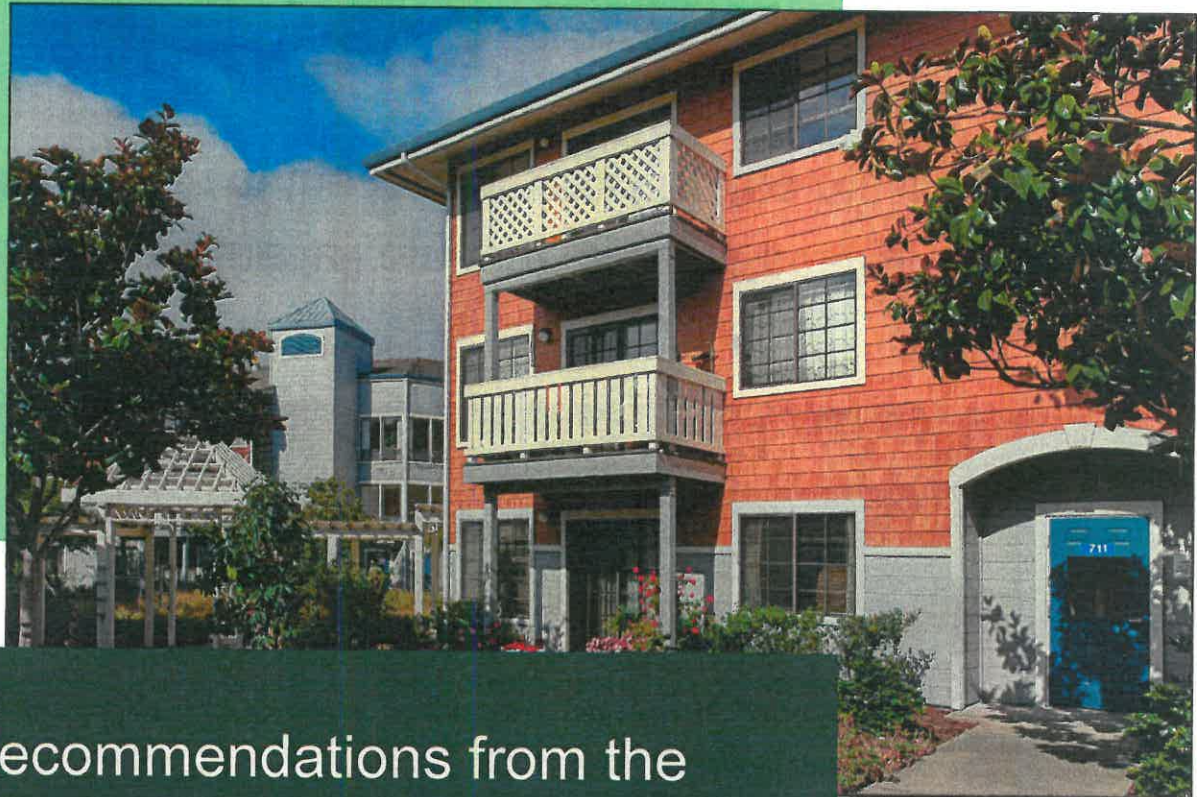
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**Housing Authority
of the City of
Alameda**

**Rent Stabilization
Program**



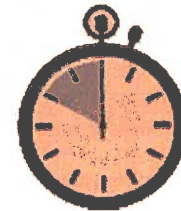
Implementation of Recommendations from the
Management Partners Rent Stabilization
Ordinance Review

ADMINISTRATIVE

Recommendation 7

Require landlords to pay the full amount of relocation benefits within three business days of a governmental order to vacate that is issued due to the fault of the landlord.

Staff now informs parties that the full amount of the relocation fee is due immediately upon certification of the tenant vacating the rental unit.



TRAINING

Recommendation 9

Maintain the use of professional mediators with training and experience resolving landlord-tenant contractual disputes to provide ongoing training to staff and RRAC members.

Staff have attended trainings to become certified mediators.

RRAC members received mediation training from SEEDS.



TRAINING

Recommendation 11

Provide training to RRAC members with a focus on helping them effectively address the privacy concerns of tenants and landlords, make decisions with limited information, and respond to a variety of individual rent increase situations.

Trainings Completed:

- Updated RRAC Rules & Procedures
- Conflict resolution training
- Onboarding packets with informational resources
- City Attorney's Office training
 - Discussion and training on Ordinance 3148
 - Written guidance on the fair rate of return & tenant financial impact
 - Conflict of interest and due process training
- Brown Act/Sunshine Ordinance and ethics training



OUTREACH

Recommendation 5

Improve the information on the Alameda Rent Program website to make it easier to search and find detailed information about relocation benefits, including temporary relocation benefits, relocation payments and extended time for relocation.

UPGRADES:

- New website menu featuring relocation assistance
- More website information on relocation options
- Examples of relocation scenarios designed to clarify the policy



OUTREACH

Recommendation 13

Improve the presence of and information about RRAC processes and opportunities for mediation on the Alameda Rent Program's website.

UPGRADES:

Website:

- Online submission available for rent review requests
- Online mediation guide
- New menu highlighting mediation resources
- More information on the RRAC process
- Featured information on reasonable accommodation procedures



Other Mediation Resources:

- Request for Rent Review Forms include mediation option
- An offer of free mediation services and a mediation guide are sent to every RRAC participant in advance of the hearing