

CITY OF ALAMEDA RESOLUTION NO. ____

SUPPORTING UNITED STATES S. 3250, THE RENT RELIEF ACT OF 2018, TO AMEND THE INTERNAL REVENUE CODE OF 1986 TO ALLOW FOR A CREDIT AGAINST TAX FOR RENT PAID ON THE PERSONAL RESIDENCE OF THE TAXPAYER

WHEREAS, the City of Alameda's Legislative Agenda for 2018 was drafted to allow staff and the City Council to react quickly to most legislative issues as they arise and ensure there is a formal City position on a variety of legislative matters; and

WHEREAS, the City's Legislative Agenda expresses stated support for measures that would reduce income inequalities, including but not limited to, tax deductions for low-income renters; and

WHEREAS, in November 2015, the City Council adopted an urgency Ordinance (Ordinance 3140) that imposed a moratorium on rent increases at or above 8%. After deliberations at City Council meetings in early 2016, the City Council adopted legislation effective March 31, 2016, (Ordinance 3148) imposing rent review for certain rental units, rent stabilization for certain rental units, and limitations on the grounds for terminations of tenancies for all rental units, which was confirmed by voters in the November 8, 2016 election; and

WHEREAS, S. 3250, the Rent Relief Act of 2018, was introduced on July 19, 2018 and is sponsored by Senator Kamala Harris and co-sponsored by Senators Feinstein, Blumenthal, Hassan, and Gillibrand; and

WHEREAS, 48 percent of Alameda's households are renters, and 45 percent of Alameda's renters, 6,925 households, spend more than 30 percent of their income on rent; and

WHEREAS, in 2017, the Alameda Housing Authority assisted 3,866 people in Housing Authority owned and managed units, non-Section 8 subsidized units, and Section 8 programs; and

WHEREAS, S. 3250 creates a tax credit for individuals spending more than 30 percent of their income to rent their personal residence. An individual would be eligible for the credit if they made under \$125,000, paid more than 30 percent of their income on rent, and did not live in a property with rent that is more than 150 percent of the fair market rent; and

WHEREAS, if S. 3250 is adopted, eligible individuals would receive a tax credit for a percentage of rent paid over 30 percent of the individual's income. For example, if an individual earning the median income in Alameda of \$45,590 paid the average rent for a 1-bedroom apartment, \$2,062 (\$24,744 per year), they would receive a tax credit

of \$8,300, 75 percent of the difference between spending 30 percent of their income on rent and the actual rent paid; and

WHEREAS, if S. 3250 is adopted, it could benefit 10,791 Alameda households, or more than one-third of Alameda's 30,678 households.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Alameda that the Council supports measures that reduce income inequalities and efforts by the United States Senate to amend the Internal Revenue Code of 1986 to allow for a credit against tax for rent paid on the personal residence of the taxpayer, including S. 3250.

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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 4th day of September 2018, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the seal of said City this 5th day of September 2018.

Lara Weisiger, City Clerk
City of Alameda

APPROVED AS TO FORM:

Janet C. Kern, City Attorney
City of Alameda