

CITY OF ALAMEDA RESOLUTION NO. \_\_\_\_\_

ADOPTING A TIER-STRUCTURED ANNUAL RENT PROGRAM FEE  
FOR THE CITY'S RENT CONTROL, LIMITATIONS ON EVICTIONS  
AND RELOCATION PAYMENTS ORDINANCE AND IMPLEMENTING  
REGULATIONS

WHEREAS, in September 2019, the Alameda City Council adopted a revised and restated Rent Control, Limitations on Evictions and Relocation Payment to Certain Tenants Ordinance (Ordinance No. 3250) to protect tenants from the rapidly increasing cost of rental housing that is the result of rising rents and a tight rental market; and

WHEREAS, adoption of Ordinance No. 3250 resulted in significant changes to the Rent Program services provided by the Housing Authority of the City of Alameda (that serves as the City's Rent Program Administrator) and by City staff including requiring a rent registry, establishing an Annual General Adjustment of rent based on 70% of the percentage change of the Consumers Price Index, revising how relocation payments are calculated, eliminating no cause terminations of tenancies, and extending protection to tenants with Section 8 vouchers; and

WHEREAS, because of these enhanced services, the City contracted with SCI Consulting Group (SCI) to conduct a Fee Study to determine (a) the program costs for Fiscal Year 2020-2021 (and beyond) and (b) the per rental unit fee amount ("the Program Fee") that would need to be imposed on rental property owners in order to fund the various services and programs; and

WHEREAS, as part of the Fee Study, SCI worked closely with the Housing Authority of the City of Alameda (Housing Authority), the City's Finance and the Community Development Departments, and the City Attorney's Office to understand all of the direct and indirect costs necessary to administer the Ordinance and implement Regulations to carry out the Ordinance; and

WHEREAS, the Fee Study demonstrates that the amount of the fee to be imposed on rental property owners is a function of:

- The number of applicable rental units
- The amount of necessary staffing to administer the programs
- Contracted services (e.g. Housing Authority staff, hearing officers, etc.)
- Materials and supplies to support the administration of the programs (including office space and utilities, program software, printing, postage, office equipment, etc.); and

WHEREAS, SCI, by conducting a rigorous analysis of data collected by the Housing Authority and the Finance Department, determined that there are an (a) estimated 11,195 Fully Regulated Units, i.e., multi-unit properties for which a certificate of occupancy was

issued prior to February 1995, which units are subject to all provisions, (e.g. rent control, just cause for eviction, etc.) of Ordinance No. 3250 and (b) estimated 2,697 Partially Regulated Units, e.g., single family homes, condominiums, certain privately owned rent-subsidized rental units, which units are subject to all provisions of Ordinance No. 3250 except rent control; and

WHEREAS, the costs associated with the administration of Ordinance No. 3250 include direct and indirect labor costs, contracted services, and supply cost and the Fee Study confirms that the tasks and estimated associated labor hours, as developed by the City and the Housing Authoring staff, are reasonable and accurate; and

WHEREAS, the Fee Study determined the overall costs attributable to Ordinance No. 3250 (rent control, just cause/relocation payments) are estimated to be \$2.02 million but costs associated with administering the rent control provisions of Ordinance No. 3250 should be allocated solely to the Fully Regulated Units, resulting in a Program Fee for landlords of those units higher than for landlords of Partially Regulated Units; and

WHEREAS, based on the Fee Study, a Program Fee of \$154 for Fully Regulated Units and a Program Fee of \$106 for Partially Regulated Units could be justified; and

WHEREAS, there is a Rent Program fund balance, primarily due to the Rent Program not being fully staffed, and staff has recommended that \$300,000 of that fund balance be applied to the costs of the Program for Fiscal Year 2020-2021, thereby reducing the Program Fee for Fully Regulated Units from \$154 to \$132 and reducing the Program Fee for Partially Regulated Units from \$106 to \$84; and

WHEREAS, the Program Fee would be charged annually to rental property owners on a per rental unit basis and billed July 1; and

WHEREAS, Ordinance No. 3250 provides that fifty percent (50%) of the Program Fee may be passed on to the tenant in equal installments over the course of twelve (12) months (\$5.50 per month for tenants in Fully Regulated Units and \$3.50 per month for tenants in Partially Regulated Units), which amount is not to be included as rent when calculating the percentage rent increase; and

WHEREAS, if this Program Fee were not imposed on rental property owners and their tenants, the City's General Fund would absorb the cost to administer the various programs and services 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 16, 2020, adoption of this resolution is not subject to review under the California Environmental Quality Act.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Alameda as follows:

Section 1. A Program Fee of \$132 is imposed on every rental property owner in the City of Alameda for each Fully Regulated Unit owned.

Section 2. A Program Fee of \$84 is imposed on every rental property owner in the City of Alameda for each Partially Regulated Unit owned.

Section 3. Notwithstanding Section 2 of this Resolution, the Program Fee shall not be imposed on any landlord of a privately owned rent-subsidized rental unit as determined by the Program Administrator.

Section 4. For Fiscal Year 2020-2021, the due date for all Program Fees will be September 1, 2020, and landlords' paying the Program Fee after September 30, 2020, shall pay, in addition to the Program Fee, a late charge of 10% for each month (including any partial month) up to a maximum of 60%.

Section 5. For the fiscal years following Fiscal Year 2020-2021, the due date for all Program Fees shall be July 1, and landlords paying the Program Fee after July 31 shall pay, in addition to the Program Fee, a late charge of 10% of each month (including any partial month) up to a maximum of 60%.

Section 6. This Program Fee shall be evaluated from time to time and, in the absence of material and substantive changes to the Ordinance, at least once every five years to ensure that the Program Fee reflects the cost to administer the various services and programs under the Ordinance.

Section 7. This Resolution is effective immediately upon its adoption.

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I, the undersigned, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Alameda at a regular meeting on the 16<sup>th</sup> day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Alameda on the 17<sup>th</sup> day of June, 2020.

\_\_\_\_\_  
Lara Weisiger, City Clerk  
City of Alameda

Approved as to form:

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Yibin Shen, City Attorney  
City of Alameda

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