



# **Rent Increase Moratorium & Landlord Assistance**



# Purpose

## **Seek Council approval to:**

1. Amend Ordinance Number 3275 to extend the temporary moratorium on rent increases on fully regulated rental units until June 30, 2020
2. Explore additional opportunities to provide landlord assistance



# Background

September 17, 2019      City Council adopted Rent Control Ord. 3250.

April 21, 2020  
(Ordinance No. 3275)      City Council instituted a temporary moratorium on rent increases for fully regulated rental units until January 1, 2021.

September 1, 2020      AB 3088 limited evictions for non-payment of rent.

December 1, 2020      Public comment speakers asked City Council to consider extending the moratorium on rent increases.

December 7, 2020      The Alameda County Health Officer implemented a Shelter in Place Order.



# Landlord Survey Data

- 79% of the respondents' tenants are paying close to 100% of rent; 5% are receiving no rent.
- Expenses continue to rise and remain due:
  - Fees to the City
  - Taxes
  - Insurance
  - Utilities
- Owners and property managers asked that the City advocate for deferments or reductions of expenses.



# Landlord Survey Data

(continued)

- Some landlords are experiencing:
  - Longer vacancies
  - Lower rent rates
- Some landlords raised the question – do tenants also want flexibility for shorter lease terms right now?
- Landlords who are seniors or who rely on rent payments as their primary source of income, including those who have experienced a job loss, are concerned about their decreasing savings.
- Landlords who own 5-15 units tended to have highest percentage of tenants who were paying less than full rent.



# Emergency Rent Relief Program

- Program launched in August to address the impact of lost wages and resulting unpaid rent
- Tenants must apply; payments are made directly to the landlords.
- Applications are currently being accepted through December 20, 2020.
- Applicants who were not awarded a payment in the first round may apply.



# Impact on Landlords

Landlords who otherwise would have imposed a rent increase have been impacted differently depending on the anniversary date of their rent increase.

Anniversary Date of Rent Increase	Impact of 2020 Rent Freeze	Potential Impact of Proposed Extension
January to March	---	1.0% Increase Frozen (through June 30, 2021)
April to August	2.8% Increase Frozen	1.0% Increase Frozen (through June 30, 2021)
September to December	2.8% Increase Frozen	---



# Financial Impact on Landlords

The following example is based on an April anniversary date:

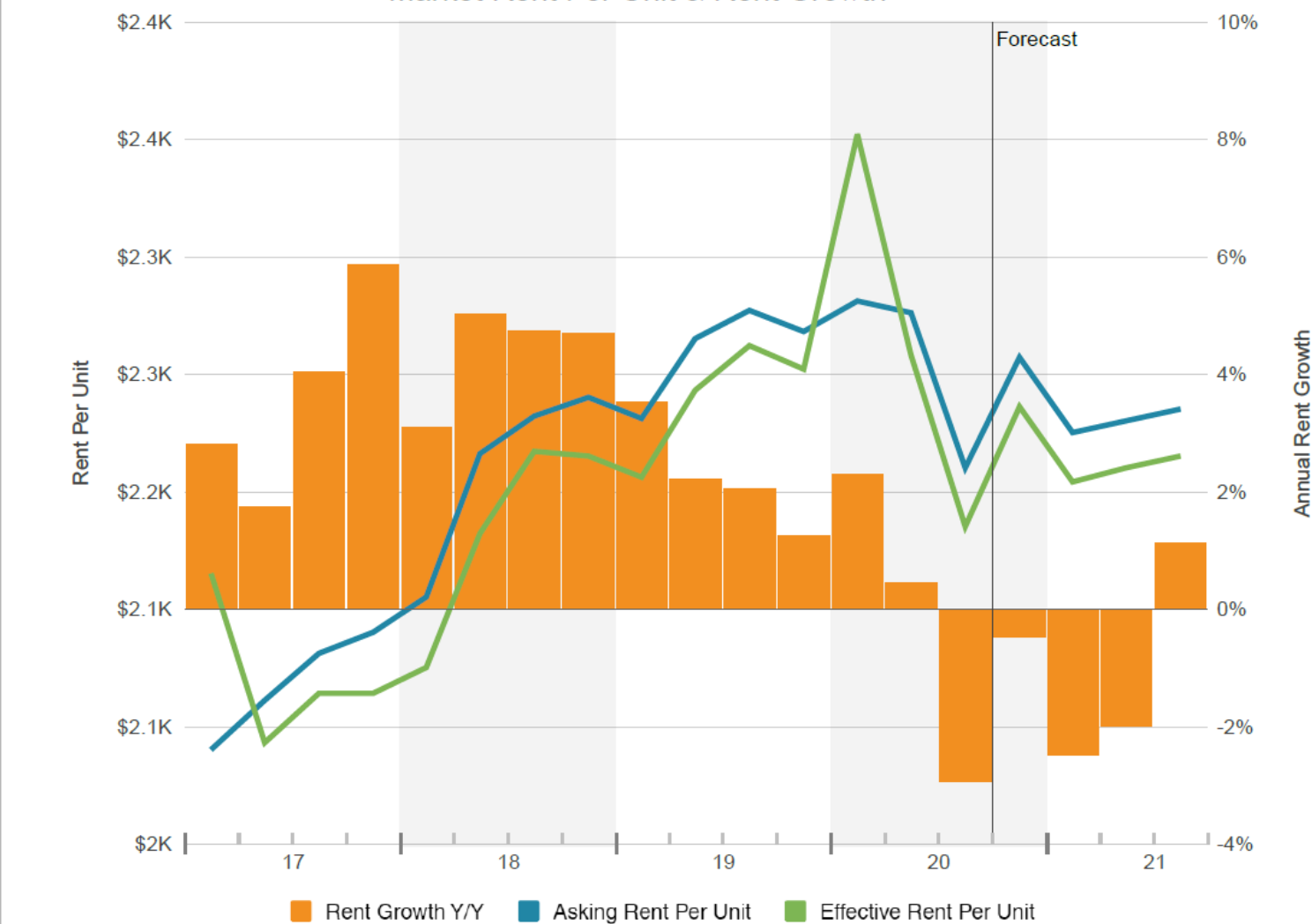
Unit Type (# BR)	Median Rent per Month	Q1 by Mo (2.8%)	Q2 by Mo (1.0%)	Total 6 Mo Impact
Studio	\$1,516.00	\$42.45	\$58.03	\$301.44
1	\$1,840.00	\$51.52	\$70.44	\$365.87
2	\$2,250.00	\$63.00	\$86.13	\$447.39
3	\$2,730.00	\$76.44	\$104.50	\$542.83
4	\$3,600.00	\$100.80	\$137.81	\$715.82

The cumulative projected financial impact of the proposed moratorium on rent increases ranges from approximately \$301 to \$715 per unit for the most impacted landlord.





# Market Rent Per Unit & Rent Growth





# Staff Recommendation

Consider adopting an urgency uncoded Ordinance amending uncoded Ordinance No. 3275 to impose and extend a temporary moratorium on rent increases for fully regulated residential rental units until June 30, 2021

and

Provide direction to staff to explore additional opportunities to further provide assistance to landlords, especially small operators, impacted by COVID-19.