

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
WEDNESDAY- -NOVEMBER 4, 2015- 6:00 P.M.

Mayor Spencer convened the meeting at 6:01 p.m. and led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Daysog, Ezzy Ashcraft, Matarrese, Oddie and Mayor Spencer – 5.

Absent: None.

ORAL COMMUNICATIONS, NON-AGENDA

None.

AGENDA ITEM

(15-671) Recommendation to Receive a Report Analyzing the Impact of Rising Rents on Alameda Residents;

(15-671A) Public Hearing to Consider Additional Tenant Protections and Provide Direction to Staff about Policies to Pursue regarding Enhanced Mediation/Rent Stabilization, Just Cause Eviction Protection and/or Relocation Benefits, the Composition of the Rent Review Advisory Committee (RRAC), and the Use of Boomerang Funds to Expand the City's Supply of Permanent Affordable Housing; and

(15-671B) Ordinance No. 3140, "Imposing within the City of Alameda a Temporary (65 Day) Moratorium on Certain Residential Rent Increases and on Evictions from All Residential Rental Units Except for Just Cause Eviction for the Immediate Preservation of Peace, Health or Safety." Adopted.

Mayor Spencer inquired by a show of hands how many minutes the speakers wanted for speaking: one minute, two minutes or three minutes.

Members of the audience indicated support for two minutes.

Councilmember Daysog suggested allowing three minutes.

In response to Mayor Spencer's inquiry, Councilmembers Oddie and Ezzy Ashcraft and Vice Mayor Matarrese expressed support for giving speakers one minute.

Mayor Spencer stated the majority of the Council wants one minute; announced speakers would be able to cede time to other speakers.

Janet Smith-Heimer, BAE Urban Economics, began to give her presentation.

Mayor Spencer stated that she would like to hear from the speakers while technical difficulties are resolved.

Stated that he will be retiring soon, has had heart failure; has medical costs and depends on his rental income; maintaining a Victorian is costly and he does not want income restrictions: Mark Landreth, Alameda.

Stated that he bought his first apartments in 1976 and loves Alameda; rent control would be a hassle; in Berkley 5,000 property owners took their properties off the market because of rent control: John Cashman, Alameda.

Stated that she does not have a pension; her 6 unit rental is her retirement plan; she was a member of the RRAC from 2003 through 2015; the RRAC is an objective board that makes recommendations fair to all parties; the RRAC works because no member is an advocate: Karen Miller, Alameda.

Stated that she owns a 5 unit apartment building in Alameda with the highest rent being \$1,450 when the median rent is \$2,800; urged Council to take into consideration that some landlords are moderate landlords and do not charge excessive rents: Pauline Zazulak, Alameda.

Stated that he and his wife are mom and pop landlords; he is not out to gouge anyone; the small profit is their livelihood; a moratorium would be a wage freeze; he would like to see how the new provisions with the RRAC first: Mark Palmer, Alameda.

Stated that Ordinance 3131 has only been in effect for two months; the cost of living goes up for everyone, not just renters; urged giving Ordinance 3131 a chance: Ken Gutleben, Alameda.

Stated that she owns a 3 unit Victorian; urged Council to not make it impossible for landlords to make money on a long term investment while providing housing for good people in Alameda: Lila Wahrhaftig, Alameda.

Stated that she was on the RRAC, and talked with the tenants; Alameda had a 30% vacancy rate a few years ago; in the last 10 years there have been 4 parcel tax increases, and landlords have had to reinforce their buildings for earthquakes: Linda Soulages, Alameda.

Stated that she is a small mom and pop landlord; urged Council to continue with the RRAC: Marie Kane, Alameda.

Stated that she has been a renter in Alameda for 9 years; she hopes she can stay 5 more years so that her children can graduate from high school in Alameda; large complexes are increasing rent by 30 to 50%: Catherine Pauling, Alameda Renters Coalition (ARC).

Stated there are bad apple landlords; citizens need protection from 50% increases and no-fault evictions: Duane Moles, Alameda.

Stated that he is a mom and pop landlord and spends money on his buildings for repairs; each rent increase is only 10% and that equates to \$75; he sometimes chooses not to give rent increase depending on the situation because we all need to take care of each other: Tom Hurtubise, Alameda.

Urged Council to approve the moratorium to save the community from the predatory landlords at least during the holidays: Jason Buckley, Alameda.

Stated that he has not found a good landlord; he received an email from someone that received a 60 day notice for a 50% increase, which is like an eviction for her: John Klein, ARC.

Stated that he is a mom and pop landlord; the study presented is skewed because it only focuses on property owners with 50 or more units; the maintenance costs for mom and pop landlords are significantly higher; the report focuses on the rent increases that the bigger units have generated; stated the measures being imposed would impact the viability of the properties and cause further depreciation: Michael Brown, Alameda.

Stated rent control and a moratorium will hurt only the small property owners, not the large corporations; small property owners do not charge high rent increases; there are many old buildings in Alameda that require maintenance that will not be done by property owners if a moratorium causes insufficient profit margin: Dominic Passanisi, Alameda.

Stated that she is opposed to a moratorium on rent increases and no-fault evictions; urged Council to give the new process with the RRAC a chance to work: Ann Bracci, Alameda.

Stated that she represents a diverse group of owners with more than 3,000 rental units in Alameda; studies conducted do not give an accurate picture to what is happening in Alameda; Alameda owners and residents have had positive outcomes from mediation; the RRAC has not had the time to work effectively; urged Council to uphold the RRAC; stated rent control is not one size fits all and Alameda is not an urban high rise community; stated there is no evidence that rent control provisions would be better for residents than the current RRAC process; she feels the moratorium should include 30 to 60 day evictions and excessive rent increases of 10% or more; property owners need the ability to remove residents that are truly troublesome; reasonable and appropriate protections and provisions could be added to the RRAC process; urged amending the RRAC and giving it a chance to work: Marilyn Schumackar, Alameda.

Stated that she has only increased the rent on her property by a total of \$30 per year and \$2.66 per month; she has over \$26,000 in investments in the property and is currently working with a negative cash flow; rent control would make landlords have to sell their properties; renters who have complaints should use the RRAC because it has been effective in mediating disputes: Maria Dominguez, Alameda.

Stated that she recently had a case on the RRAC agenda; the RRAC treated both sides fairly; the Committee allowed both sides to be heard in a non-confrontational dialog and made both parties see the other side's view; both parties were satisfied with the outcome; she feels having the RRAC in place allows the parties to effectively communicate: Lisa Lawley, Alameda.

Stated rent control does not work; two of the top rent control cities have the highest rents in the nation: San Francisco number 1 and Oakland is number 5; the focus should be on excessive rents; she supports raising fees to go into a housing trust fund to help with relocation assistance; she would like to see the focus on the larger 50 plus units: Karen Bay, Alameda.

Stated her family owns property in Alameda and their tenants are paying well below market rate; urged Council to give the RRAC a chance, there are plenty of landlords in Alameda who treat their tenants with regard: Lynn Aders, Alameda.

Stated their income property is their retirement plan; they treat their tenants fair and do not raise rents; urged Council to let RRAC work: Chih Wu, Alameda.

Stated the RRAC has not had a chance to function; rent control suppresses tax rolls everywhere it has been implemented; Alameda has long term unfunded liabilities; 98 soft story units in Alameda are un-retrofitted; questioned how retrofitting will be funded if rent increases are stopped: Eric Anders, Alameda.

Stated Council has not given the RRAC a chance to work; there will be less revenue for the City with a moratorium; rent control will adversely affect small property owners; many property owners depend on rent for income: Jeanne Allea, Alameda.

Stated that he feels there are already enough regulations; property owners already do not have many rights as to what can be done with property: Mark Wyman, Bayside Real Estate.

Stated the problem cannot be fixed unless additional housing is built; boomerang funds that come back to the City of Alameda should be used for affordable housing: Doug Biggs, Alameda.

Mayor Spencer called a recess at 7:05 p.m. and reconvened the meeting at 7:28p.m

Urged Council to enact a moratorium on uncalled for evictions and excessive rent increases and the long term solution; stated if rents are increased 10% every year, rents will be tripled in 12 years; salaries will not be tripled in 12 years: Barry Benioff, Alameda.

Stated a landlord can raise rent 10%, yet tenants do not get raises for 10%; urged the moratorium: Ute, ARC.

Urged pressing forward with the moratorium and the boomerang funding concept for affordable housing: Lisa Hall, Alameda Home Team.

Stated that she is a Berkley student; her landlord has given her and her mother a no-fault eviction; she makes minimum wage and will soon have to start paying rent: Anonymous, Alameda.

Stated her rent has increased \$300 and she received a no-fault eviction notice; someone ran into the stairs in the back of her apartment and the landlord said she could not afford to fix it and she would have to move out: Renee, Alameda.

Mayor Spencer stated this is the renter's time to explain their situation; requested speakers to address the percentage rent increase, the number of increases in the past year or whether an eviction notice has been received.

Urged Council to pass a moratorium; stated it will give tenants time to think; speculators are buying up land and no money is staying in Alameda; money spent for rent increase will come from somewhere else in the community: Michael Miller, Alameda.

Stated her coworker cannot afford to move back to Alameda because of high rents; urged the moratorium be enacted: Marion Kidder, Alameda.

Stated teachers can be better teachers when they can afford to live in the community in which they work: Jenny Hoobler, Alameda.

Expressed concern over property management firms benefiting from rent increases: Kathryn Hopping, Alameda.

Stated there is a big housing crisis; Alameda should be a model of working with landlords and tenants to be fair to both parties; she gets 10% increases and has less money in her pocket to spend in Alameda: Marie Chavez, Alameda.

Expressed concern over a member of ARC being arrested: Doyle Saylor, ARC.

Stated that she lives in a corporate owned building and is in terror of the next rent increase; the moratorium is needed; a real study should be done to be fair and equitable to everyone, not just the landlords. Tomi Thomas, Alameda.

Stated that she moved to Alameda one year ago; her rent has been increased 9%; she will have to move if her rent is increased again: Raquel Garcia, Alameda.

Stated that she is scared about being able to afford her rent: Gwen Hammer, Alameda.

Stated that she has a good landlord, but cares about the fiber of Alameda changing; urged Council to implement protections: Jennifer Strongen, Alameda.

Stated his rent went up 10% the last two years and he is afraid of reporting maintenance: Justin Isaac, Alameda.

Urged the rent be kept down to allow Alameda to be a place for artist: Jessica Warren, Studio 23.

Urged Council to get rid of the loop hole of the 30 and 60 day notice; stated landlords are giving 60 day notices to avoid having to go to the RRAC: Tim Ginley, Alameda.

Stated that she lives in a large complex which has had a 7 to 9% increase annually; she may have to leave Alameda: Jane Giswold, Alameda.

Stated that she paid \$2000 in rent and was evicted because her landlord said they wanted to renovate; however, instead the landlord rented the unit for \$4,000: Rachel Beson, Alameda.

Stated that she would like to start a family but the insecurities about rent increases make her feel uncomfortable: Sarah Dawson, Alameda.

Stated that she does not know who owns her building; rent has increased 12.5% in two years and her salary has not increased; she will have to move out of Alameda to retire: Helen Gilliland, Alameda.

Stated her rent was increased by \$245 after one year, \$145 the next year and will probably increase again; she is speaking on behalf of neighbors in her 11 unit building: Nanette Lanz, Alameda.

Stated that he is a single father and disabled vet; there are some good landlords and property owners out there: Mio Flores, Alameda.

Stated the Costa Hawkins act prevents rent control in California; outlined various cities stabilization and mediation; urged approval of just cause provisions: Brian Geiser.

Outlined impacts on children when their parents do not know how they are going to make ends meet every twelve months: Rachel Tischer, Alameda.

Stated her landlords sold the property she lives in and she received a 9% rent increase; the new landlord is evicting tenant's one unit at a time and increasing the rent: Vicki Autumn, Alameda.

Mayor Spencer called a recess at 8:13 p.m. and reconvened the meeting at 8:22 p.m.

Stated that she upgrades and maintains her property; she has had three tenants for 28,

10 and 8 years at below market rate; urged Council to give the RRAC a chance: Karin Lucas, Alameda.

Stated that he owns a 63 unit complex in Alameda; he does not support the outrageous rent increases and no-fault evictions; the current rent review ordinance has the power to stop these types of landlords from continuing their current behavior with some tweaks; urged Council to do what is best to homeowners, landlords and the City: Doug Smith, Garden Court Apartments.

Stated the large owner members he represents agreed to a 10% cap on increases; urged Council to limit the moratorium to increases over 10% if passed and to 45 days; stated that he agrees with the comment the City cannot look for a one size fits all solution; California Apartment Association (CAA) and its members are committed to providing quality rental housing: Thomas Scott, President of Cambridge Management Company and speaking on behalf of the California Apartment Association (CAA).

Stated tenants have identified problems as the over 10% rent increases and 60 day no-fault evictions; he is open to giving longer increase notices and to adding financial consequences for landlords to compensate tenants who move out as a result of these actions: John Sullivan, CAA.

Stated that he is a mom and pop landlord; urged the Council to not implement rent control or just cause eviction: Malcolm Lee, Millbrae.

Stated his rental property is his retirement income; placing a moratorium would impact his ability to fund repairs and maintenance; the rent review ordinance has not had a chance to work: Scott Brady, Alameda.

Stated it is important to hear from the tenants; urged Council to look at the small mom and pop owners that really want to work with the mediation: Brad Drudy, Housing Provider.

Stated everyone is an individual and everyone has a story to tell; she might have to sell without rent increases: Amy Chung, Alameda.

Stated that he owns two 5 unit buildings; he previously owned rental property in San Francisco and Berkeley; rent control has a long term negative impact on the community as a whole; landlords are not incentivized to maintain the property and deters investment in the community is deterred: Rick Storrs, Property Owner.

Proposed encouraging increasing property and new development in Alameda: Tad Park, Alameda.

Stated the Bay Area has had an incredible surge of demand and an incredible lack of supply; rent control would have a consequence on property being sold: Christopher Hanson, Property Owner.

Stated most mom and pop landlords are good; with rent control, they will not be able to afford their properties; urged going after the property owners that have raised rents too much: Kim Perata, Kennedy Trust.

Stated there are greedy landlords; urged Council to be fair to both sides, to let the rent ordinances work and to not lump all property owners together. Irene Hanson, Property Owner.

Stated if building will cause prices to go up and will only serve the wealthiest in the community; there are a lot of lower paid people in Alameda; urged approval of rent control: Bill Smith, Alameda

Stated that she moved to Alameda from Florida; her rent is increased every year and she may no longer be able to live in Alameda; expressed concern over 10% rent increases: Stella Moya, Alameda.

Stated renters do not have power; renters need justice and fairness; renters want to go after the corporate landlords, not the mom and pop landlords: Jon Spangler, Alameda.

Stated that he has rented in Alameda for four years; urged Council to remember vulnerable, scared people: David O'Sullivan, Alameda.

Stated that he received a retaliatory notice to terminate; his landlord entered his unit without 24 hours written notice: Garfield Kincross, ARC.

Mayor Spencer requested Mr. Kincross provide her with his information for follow up.

Stated that she became a homeowner because she was afraid of continuing to rent: Kristen Upson, Alameda.

Expressed support for the using redevelopment money returning to the City for housing; stated this is an economic expulsion; urged Council to take a stand to stop it; expressed support for the moratorium: Laura Thomas, Renewed Hope Housing Advocacy.

Stated tonight would not have happened without the tenants advocating; the tenants will get rent control one way or another: Eddie Yuarte, Oakland Tenants Union.

Mayor Spencer questioned how much time staff needs to do the presentation and if it is legal to have the presentation on the record without presenting it to the Council.

The City Attorney responded the rent study and other studies are part of the record and available on the website; stated unless Council had questions, the Council could proceed without the presentation.

Mayor Spencer stated that she would prefer to take a short recess and to see how

much data the Council would like before starting to deliberate.

Vice Mayor Matarrese stated that he would like context; a concise overview should be provided.

Councilmember Ezzy Ashcraft concurred.

Mayor Spencer stated that she only suggested not having the presentation because the information is in the staff report and there is no new information; Council had plenty of time to review the information.

Councilmember Oddie stated Council should hold comments to the end.

Councilmember Daysog concurred that he would like to see the presentation.

Councilmember Ezzy Ashcraft stated it is important to inform the public; this is not the place to cut corners.

Mayor Spencer stated that she would define brief as 10 minutes.

Mayor Spencer called a recess 9:10 p.m. and reconvened the meeting at 9:20 p.m.

Vice Mayor Matarrese stated that he would like to allow staff over 10 minutes.

Councilmember Oddie moved approval of staff taking as much time as need.

Councilmember Ezzy Ashcraft seconded the motion.

Under discussion, Councilmember Oddie stated this is a big deal; having had so many speakers, he would like to get an informed statement from staff to be able to make such a monumental decision.

Councilmember Ezzy Ashcraft concurred with the Vice Mayor and Councilmember Oddie; stated the decision is monumental; she feels truncating the data it is cheating the public.

Mayor Spencer inquired if there is a motion to give staff unlimited time for their presentation.

Vice Mayor Matarrese responded in the negative; stated the motion is that staff be allowed sufficient time for the context of their presentation.

Councilmember Daysog concurred that Council should gather all possible information from staff and the consultant; stated there may be questions and Council needs to be

open to that to allow a decision to be made that residents would be proud of.

On the call for the question, the motion carried by the following voice vote: Ayes: Councilmembers Daysog, Ezzy Ashcraft, Matarrese and Oddie – 4. Noes: Mayor Spencer – 1.

Ms. Smith-Heimer gave a Power Point presentation.

Councilmember Daysog stated in doing the math for the boomerang funds as a rental subsidy the monthly subsidy is only \$100 which should be used for building.

Mayor Spencer inquired if BAE tracks a specific individual renting.

Ms. Smith-Heimer responded in the negative; stated the data is from the consensus, not from BAE.

Mayor Spencer inquired if there was a way to get the percentage for a long term tenant or change in tenants.

Ms. Smith-Heimer responded in the negative; she stated there is no way to get to said data.

Mayor Spencer clarified her question; inquired whether there is any data for what a renters increase is if they stayed in one place for one to two years.

Ms. Smith responded in the negative; she stated no one has said data.

Mayor Spencer inquired whether rent control in Alameda would still have Costa Hawkins.

Ms. Smith responded in the affirmative; continued her presentation.

Councilmember Oddie inquired if the data is for rentals with 50 units or more.

Ms. Smith responded in the affirmative.

Councilmember Daysog stated the data shows demographics of those whose income is constrained.

The Community Development Director gave a Power Point presentation.

Mayor Spencer inquired if the hearing officer's decision could be final if appealed to the City Council.

The Community Development Director responded in the affirmative; stated court would be the next recourse.

Councilmember Daysog requested clarification on whether rent stabilization and rent control is the same thing as relocation assistance.

The Community Development Director responded rent control and rent stabilization have the same meaning; staff does not believe that relocation benefits are restrained by Costa Hawkins; continued her presentation.

Councilmember Oddie inquired if the landlords are required to offer a lease would it be for a one year lease and what happens when the tenant does not want a one year lease, to which the Community Development Director responded that the tenant can decline the lease but the landlord has to offer it.

Mayor Spencer inquired if there is a way to require landlords to go through the RRAC process for a tenant, who is current in rent, for a no cause eviction.

The Community Development Director responded that she put the matter in the presentation as one way to strengthen the mediation process.

Mayor Spencer inquired if the matter could go to Council and be a binding decision.

The Assistant City Attorney responded Council could adopt an ordinance with a no cause eviction policy.

Councilmember Daysog inquired if staff reviewed imbedding relocation assistance into a just cause eviction ordinance, to which the Community Development Director responded the Council could decide to do so.

Councilmember Ezzy Ashcraft clarified relocation assistance should be available for no cause eviction.

The Community Development Director continued her presentation.

Councilmember Daysog stated that he would like to see relocation assistance tied to the RRAC process; there could be a formula for how much relocation assistance is possible but the amount would be up to the RRAC; there would be mediation for relocation assistance.

Councilmember Ezzy Ashcraft stated the advantage of a formula would ensure application to all tenants; provided an example of two months' rent.

The Community Development Director continued her presentation.

Mayor Spencer inquired when the ordinance would be effective if Council approves mediation or relocation assistance instead of a moratorium.

The Community Development Director responded if Council wants to preclude people from being evicted until the relocation assistance is in place, then the moratorium would have to be enacted; staff would need time to comply with the Sunshine Ordinance; the earliest would be December 15th for the first reading and January for the second reading.

Councilmember Daysog inquired whether there has been widespread community desire to address rent increases, even if on a stand-alone basis and even if temporary, to which the Community Development Director responded in the affirmative; stated Council could decide to do a moratorium as well as give staff direction to come back with legislation regarding relocation assistance.

Councilmember Oddie stated Council was previously told only a 45 day moratorium could be done; he inquired what is the legal difference and whether the moratorium can be extended.

The Community Development Director responded the 45 day moratorium is under State law; the 65 day moratorium is pursuant to the City Charter.

Councilmember Oddie inquired if Council adopts a moratorium, what would happen if a tenant's lease expires, to which the Community Development Director responded tenants with leases expiring would go to a month to month tenancy during the 65 day period.

Councilmember Ezzy Ashcraft noted the moratorium is a tenant protection measure.

Councilmember Daysog stated that he would like to define a threshold on rent increases.

The Community Development Director stated the draft ordinance would put a moratorium on any rent increases or no cause evictions for 65 days.

Councilmember Oddie stated the issue is very emotional; landlords want a reasonable rate of return and renters want reasonable shelter; there are supply constraints and low vacancy rates; the shortage pushes up prices; if the goal of rent control is to protect diversity, it is not working; two issues are landlords raising rents over 10% and 30 to 60 day no cause evictions.

(15-672) Mayor Spencer stated a motion is needed to continue the meeting past 11:00 p.m.

Vice Mayor Matarrese moved approval [of continuing the meeting].

Councilmember Oddie seconded the motion, which carried by unanimous voice vote – 5.

Councilmember Oddie stated that he likes the idea of landlords having to offer a lease and allowing only one rent increase per year; 8% feels like a good starting point; he likes the idea of an arbitrator, whether it be the RRAC or a City appointed person; he would like the City to require landlords to file rent increases with the City to track the data; proposed revisiting the ordinance in two years after reviewing the data; suggested exempting buildings of 4 units or less or landlords who live within 100 feet of rental units; stated that he likes the idea of an ombudsman; staff should come back with more on relocation assistance versus just cause; he feels landlords will just buy people out and re-rent units; he does not like the fact that landlords can buy out Alameda's middle class; the City needs to be more precise about the problem it is trying to solve; it might be helpful to refer to the San Jose Ordinance which includes a landlord having to sign a statement that the tenant is not being evicted to raise the rent; suggested the length of the notice to vacate should be extended when vacancy rates are lower; stated the City could go back to the 30 to 60 day time-period when the vacancy rate is higher; the City should consider privatizing some of the RRAC responsibilities; the moratorium should be on increases above 8%; he would like to see a moratorium on evicting tenants in order to increase rent; he would like the City to consider an elected body; staff should involve both landlords and tenants going forward; funding for affordable housing can be found in different ways, whether boomerang funds or other funds.

Councilmember Daysog stated the problem he has heard about is out of town landlords have started charging excessive rent increases; the typical rent increases for mom and pop landlords is between 4 to 8%, if at all; RRAC data indicates 10% seems to be an excessive rent increase; the 65-day moratorium should be targeted at landlords seeking 15 to 25% rent increases; the increase should be cumulative within the past 12 months; provided an example; discussed the 10% threshold; stated that he would like staff to focus on relocation assistance tailored to a threshold, just cause eviction, and using boomerang funds to increase the supply of housing for moderate income and seniors; urged public input to establish a system of fair play with rules targeting unfair landlords.

Mayor Spencer stated that she sees the matter as a regional issue; the excessive rent increases and no fault evictions have to be addressed; inquired whether the matter could go to the RRAC if the landlord wants a rent increase over 8%; further inquired whether RRAC decisions appealed to Council could be binding in all cases or if it would be subject to Costa Hawkins.

The Assistant City Attorney responded drafting the ordinance to include a binding decision would be subject to Costa Hawkins; stated imposing rent control would require the City to have a procedure to allow landlords to demonstrate a need for an increase above the allowable percentage.

Mayor Spencer stated landlords should have to go to the RRAC to explain why a rent increase over the allowable percentage is needed and the matter could be mediated by the RRAC; that she would be agreeable with shifting the burden of bringing cases to the

RRAC to the landlord; expressed support for setting the increase at 8%; stated real data would be gathered because landlords would have to go to the RRAC for an increase above 8%; the increase could be null and void if the matter does not go through the RRAC process; she would like to continue to strengthen the RRAC; property owners should be required to attend the RRAC meetings, not property managers; that she supports a moratorium for increases above 8%; she would prefer to have the increase not average above 8% for the last two years, rather than one year; questioned whether additional costs via additional fees could be included in the percentage increase; stated no fault evictions, which are not subject to Costa Hawkins, should also go through the RRAC process; evictions for anyone current on rent should have to go through the RRAC process; the decision should be appealable to Council; the RRAC should be strengthened; the burden should be shifted to landlords; an eviction without cause, such as selling the property or moving back into the house, should receive a percentage of rent for relocation assistance; the formula could be based on the number of years the tenant occupied the unit combined with the rent amount; she would keep the composition of the RRAC the same and continue with the same process.

Vice Mayor Matarrese stated Alameda residents have been experiencing an upswing of excessive rent and 30 or 60 day terminations of tenancy; that he would like to give the new regulations adopted October 1, 2015 an opportunity to work and mediating rent increases; there is a hole; the RRAC's role should be expanded to include 30 or 60 day no fault terminations; the mediation process should incorporate a buyout option; he would also like to see affordable housing expanded, without over building, including amnesty for illegal residential units which could be deed restricted for affordable units; he agrees with a moratorium, which should be unconditional other than appeals to the City Council; the moratorium should not allow any increase; staff should take more than 65 days to address his amnesty suggestion; also suggested exploring tax credits for rent paid concurrent with the other efforts; stated rather than a sunset, there should be reevaluation by Council; expressed support for the current composition of the RRAC; suggested training be provided for the RRAC and the \$1.6 million in boomerang funds be reviewed to examine the current programmed budget versus using the funds to alleviate the rent problem.

Mayor Spencer inquired what process Vice Mayor Matarrese supports for rent increases, to which Vice Mayor Matarrese responded that he would like the October 1, 2015 ordinance expanded to add the 30 and 60 day not for cause evictions.

Councilmember Ezzy Ashcraft read a section of the urgency ordinance which captures what she feels are the overarching goals; discussed involving landlords and tenants to reach the best solution; stated that she has three goals: 1) for renters to be provided residential security via a rent stabilization ordinance that enables landlord to receive a fair returns on their property while ensuring tenants have certainty that rents will not increase above a specific amount each year, including only one rent increase per year, 2) maintain quality rental housing stock and increase the quantity, especially affordable and multifamily, and 3) wanting to maintain the City's reputation as a fair and safe arena to live and do business; proposed whatever mechanism is put in place return to Council

for a review in a year after data is gathered; stated tenants expressed they are afraid to ask landlords to make basic repairs because they fear rent increases; questioned how said tenants should be expected to go to the RRAC and face their landlords when the RRAC can only make a suggestion; stated the RRAC members have to be given tools to be able to carry out responsibilities effectively; RRAC hearings should not be in the Chambers; mediation should be done around a table; when the RRAC has no teeth, people will not risk rocking the boat [by submitting a case]; questioned whether public shaming would really work on landlords imposing 20 to 50% rent increases; stated more is needed than the RRAC; she would like to staff to work on some form of rent stabilization; noted San Jose is considering lowering its cap to 8%; stated that she is okay with an 8% cap to start because landlords who have kept the tenant burden down may not be able to maintain the housing stock; remedies should be simple and administrative costs should be low based on the City's staff levels and budget; she is interested in landlords paying a registration fee to create funding and good records going forward; only one rent increase should be allowed per year; she would like to see vacancy decontrol to allow landlords to increase to market rate when tenants leave and a just cause eviction statute, which would probably be too large of a burden for the RRAC; there should be a mechanism to verify no fault evictions and related penalties; when landlords justly need units vacated; however, tenants should not bear the burden of relocations costs, such as moving and deposits; buildings under 4 units or with onsite landlords should not be excluded from rent stabilization; all renters should be protected fairly and equally across the board; expressed concern over requiring the property owner, rather than a representative, to attend the RRAC hearing.

In response to Mayor Spencer's inquiry, Councilmember Daysog stated that he thought he heard a consensus about just cause evictions.

Mayor Spencer inquired Councilmember Daysog's position on rent increases.

Councilmember Daysog responded that he would like excessive rent increases addressed through a relocation assistance program; stated the policy question is what is the triggering threshold; information he gathered indicates 10% is reasonable; 8% has been suggested; the amount can be worked out with all stakeholders when staff brings the matter back to Council.

Mayor Spencer inquired whether Councilmember Daysog supports the RRAC.

Councilmember Daysog responded the RRAC should oversee the process and determine the final amount to award for relocation, which could be based on a formula; noted Richmond and Glendale formulas could be used; stated the RRAC decision could be appealed to Council.

In response to Councilmember Ezzy Ashcraft's inquiry, Councilmember Daysog stated that he is not proposing rent stabilization; he prefers relocation assistance and just cause eviction.

Vice Mayor Matarrese stated direction should be given to staff to modify the RRAC ordinance to include 30 to 60 day no cause termination of tenancy with the RRAC having authority to assign relocation assistance for displaced tenants based on a formula staff provides.

Councilmember Daysog stated one triggering event for relocation assistance could be a certain threshold rent increase; provided an example.

Councilmember Oddie stated that he struggling with decision of the RRAC being binding versus voluntary.

Councilmember Daysog discussed a mass eviction case the City Council dealt with in 2004.

Mayor Spencer inquired whether Councilmember Daysog would be okay with the RRAC's decision being binding; stated her idea is to require landlords to bring increases above 8% to the RRAC and have the decision be binding for anything not exempt from Costa Hawkins.

Councilmember Daysog responded that he would like the RRAC decision on the amount of the relocation assistance to be binding.

Councilmember Ezzy Ashcraft stated that she would favor giving the tenants some protection from 20% rent increases; 8% seems reasonable based on her meetings with landlords.

Mayor Spencer inquired whether Councilmember Ezzy Ashcraft's would be subject to Costa Hawkins, to which the Assistant City Attorney responded different rules apply; stated relocation assistance is not subject to Costa Hawkins, but a cap would be subject to Costa Hawkins.

Councilmember Ezzy Ashcraft stated the two solutions are not mutually exclusive.

Councilmember Daysog concurred; stated the burden for families subject to 15% increases should be softened by relocation assistance; there is a difference in the model.

In response to Mayor Spencer's inquiry regarding landlords with valid repair costs going to the RRAC or some board, Councilmember Ezzy Ashcraft stated doing so is a potential mechanism; that she would favor having a staff person or someone else hear the issue because it involves a lot of financial data; perhaps staffing could be funded via a landlord registration fee; she would not have the matter go to the RRAC.

Mayor Spencer questioned Councilmember Ezzy Ashcraft about the RRAC; stated that she would support a mediation process instead of setting a cap.

Councilmember Ezzy Ashcraft responded speakers indicated the RRAC process is not working; stated that she is intrigued by Councilmember Daysog's suggestion to have relocation assistance go to the RRAC for cases over a certain percentage for properties not subject to Costa Hawkins.

In response to Mayor's Spencer's further inquiry, Councilmember Ezzy Ashcraft stated that she would like the RRAC composition changed; she supports two landlords and two tenants, but the fifth seat could be changed; three out of five are property owners; additional training is needed.

Councilmember Oddie stated that he is advocating for the San Jose model; the RRAC process could still be used for increases under 8% and single family units [not subject to Costa Hawkins]; requested staff to explain San Francisco's relocation assistance hike being recently overturned.

The Assistant City Attorney stated the amount was set so high that the Courts found it to be confiscatory and punitive.

Councilmember Oddie stated the issue Council is trying to solve is helping tenants feel secure in their homes and stay in Alameda; placing a value on tenancy and allowing tenants to be bought out will not solve the problem and will instead exacerbate the issue because people will be kicked out of Alameda, which is social cleansing.

Councilmember Daysog stated that he sees relocation assistance as a mechanism to assist families through a painful process and as sending a message to property owners charging excessive rent increases; outlined how the problem is being defined differently; stated relocation assistance is one way to cool the market and make landlords think again.

Councilmember Oddie stated instead, steps could be taken to prevent reaching the step of relocating; that he does not see how kicking people out and being able to charge market rent would cool the market.

Councilmember Daysog stated landlords would think twice about doing so because there is an additional cost.

Councilmember Oddie stated the two different segments need different remedies.

Vice Mayor Matarrese stated there is an assumption that mediation happening at RRAC is worthless, but there have been a number of RRAC successes at bringing rent down; there needs to be protections for people afraid to go to RRAC because they think they will be evicted; there should be an RRAC mediation process for termination not for cause; inquired whether protection can be provided that will be strong enough so people will not be afraid to go to RRAC.

Mayor Spencer responded that she wants to address said fear by requiring landlords to

file instead of tenants; stated the burden would be shifted for no fault evictions; the RRAC has been successful, but has not dealt with no fault evictions.

In response to Vice Mayor Matarrese's inquiry about tenants being afraid of being evicted after taking a case to the RRAC, Mayor Spencer stated that she proposes requiring the landlord to have to go to RRAC for increases above 8%.

Councilmember Ezzy Ashcraft stated the decision would not be binding.

Mayor Spencer stated that she would propose the decision be binding; the RRAC should be strengthened and could be more successful than rent control; she has heard the RRAC lacks teeth and her suggestion would provide teeth; she would support the decision being binding at the Council level; she understands the decision would not be binding in all cases; Councilmember Daysog's suggestion to use a relocation assistance formula could be used for the cases that cannot be binding under Costa Hawkins.

The Assistant City Attorney outlined binding decisions requiring an evidentiary hearing.

Councilmember Ezzy Ashcraft stated the potential for an assertion of a taking could lead to a liability which should be addressed at the Council level.

Mayor Spencer stated that she is proposing the case could be appealed to Council.

The Assistant City Attorney outlined a typical administrative hearing process, which is more formal.

Mayor Spencer inquired whether the RRAC could be used for the first hearing, to which the Assistant City Attorney responded in the affirmative.

Mayor Spencer stated requiring cases above a certain increase to go to RRAC automatically would provide data.

Councilmember Ezzy Ashcraft noted data could be gathered by creating a landlord registration instead.

In response to Mayor Spencer's inquiry regarding the cost to implement a registration program, the Community Development Director outlined the process to adopt a new fee; stated the fee would have to be based on the cost of administering the program.

Mayor Spencer expressed concern that landlords would pass the cost of the fee onto tenants.

The Community Development Director stated most cities place a cap on the amount that can be passed onto tenants.

In response to Mayor Spencer's inquiry whether other Councilmembers support having

a registration fee, Councilmember Oddie expressed support.

Councilmember Ezzy Ashcraft reviewed fees charged by other cities.

In response to Mayor's Spencer's inquiry, Councilmember Daysog expressed that he is not supportive; stated that he is open to receiving information.

Vice Mayor Matarrese expressed that he is not supportive of creating a registration fee.

Mayor Spencer stated she is not supportive; noted a majority of Council is not supportive.

The Interim City Manager noted a \$25 fee could capture \$40,000 per year, which could be used to cover costs; not adopting the fee would require funding to come from somewhere else.

Vice Mayor Matarrese stated a fee can be established to cover whatever is implemented; creating a registration system for the purpose of gathering data is not fitted to the decided upon ordinance; the matter should be addressed when the ordinance comes to Council; staff should look into funding options once Council adopts the ordinance; inquired how many times landlords walked away from the RRAC process and implemented the original increase.

The Community Development Director responded said scenario is very unusual and has only occurred a handful of times; stated the RRAC success rate is well above 85%.

Vice Mayor Matarrese stated the success rate challenges the assumption that the RRAC fails because it does not have teeth; the greater problem is tenants are afraid to take cases to the RRAC; that he would like staff to look into protections that could prevent tenants from being evicted for bringing a case to the RRAC.

The Community Development Director stated Council could adopt a layering of options to provide the level of protection being sought; the mediation process could be enhanced to require an appearance before the RRAC for an increase above a certain percentage; brining the case forward would be an obligation of the landlord; enhanced mediation could be layered with a just cause eviction ordinance to prevent tenants from fearing eviction; the package could work together to provide assurances; then, relocation benefits could be layered on top to create a comprehensive package.

Vice Mayor Matarrese stated assumptions are being made for something that was just put in place October 1, 2015; inquired whether staff can review whether there is a difference post October 1, 2015.

The Community Development Director responded there has not been an uptick in the number of RRAC cases in the last four months; stated staff does not anticipate a large uptick since tenants are expressing a fear to bring cases forward; the recent

strengthening could be built upon or Council could choose to proceed with the layered upon approach.

Councilmember Daysog expressed his support for the Community Development Director's layered approach; suggested providing two layering options: both with and without rent control.

The Community Development Director stated based on the discussion tonight, staff would review ways to strengthen the mediation process, just cause and relocation benefits.

Councilmember Oddie stated that he likes the Community Development Director's suggestion; the Mayor's suggestion to make mediation binding is arbitration; three Councilmembers seem to support some type of binding protection for units that can be subject to said protection; the high level concept is there.

Councilmember Ezzy Ashcraft expressed support for the Community Development Director's layering suggestion; stated that she is concerned about people being afraid to ask for basic repairs, which would be addressed by requiring a landlord to appear, a just cause eviction ordinance, and relocation assistance.

Councilmember Daysog stated that he would like relocation assistance embedded in the just cause ordinance similar to Richmond and Glendale.

In response to the Interim City Manager's inquiry, the Community Development Director stated just cause and no cause are synonymous in this case; the idea is relocation benefits would be provided if tenants are being evicted not for cause.

Councilmember Daysog outlined the instances allowed in the Glendale ordinance; stated that he is also interested in relocation assistance as he outlined earlier.

The Community Development Director stated the purpose of the no cause eviction ordinance would be to not have eviction used as a work around to avoid going to the RRAC.

In response to Councilmember Ezzy Ashcraft's inquiry, the Community Development Director stated having specific conditions is the typical way to structure a no cause eviction ordinance.

Vice Mayor Matarrese stated the RRAC could mediate evictions; provided an example of additional time being mediated to allow a family to stay through the end of the school year; stated that he would like the RRAC to be able to hear any type of eviction case.

Mayor Spencer stated that she would like to require the RRAC to hear all evictions for tenants current on rent.

Councilmember Oddie questioned the legality of doing so; discussed the State process; provided an example of a nuisance eviction.

Vice Mayor Matarrese stated that he is proposing an ordinance for cases not covered under State law.

Councilmember Oddie questioned whether the RRAC has the skill set to act as judges; stated there is a procedure in law to evict tenants for cause evictions, which is the purview of judges.

Councilmember Ezzy Ashcraft stated no fault cases are when the eviction is done at no fault of the tenant; one problem is tenants are receiving 30 and 60 day notices so that landlords can increase rent, which is allowed in Alameda; Alameda does not require landlords to have a reason to vacate someone, which she would like to see.

The Assistant City Attorney noted the eviction for cause could be reported to the Housing Authority for tracking but questioned the RRAC hearing eviction for cause cases; stated just cause can be set up with a formula and criteria.

In response to Mayor Spencer's inquiry whether notices to terminate would not go through the RRAC, the Community Development Director stated staff is proposing keeping rent increases under the purview of the RRAC and layering on a just cause eviction and relocation processes separate from the RRAC to reduce the fear factor and allow people to feel comfortable pursuing the RRAC mediation process; staff has sufficient direction to craft the ordinances; the last question to address tonight is the proposed moratorium.

In response to Councilmember Ezzy Ashcraft's inquiry, Councilmember Oddie stated that he thought the City could keep the RRAC to mediate cases under 8%.

In response to Councilmember Oddie's inquiry, the Assistant City Attorney stated Council can allow the RRAC to mediate any rent increase case and also require the landlord to bring the matter to the RRAC if the increase is above a specific percent.

In response to Councilmember Oddie's further inquiry, the Assistance City Attorney stated requiring a landlord to prove a need to go above a cap is rent stabilization.

Following a discussion of examples and what qualifies as rent stabilization, the Community Development Director stated staff has a suggestion regarding the moratorium; the moratorium could address no cause evictions and rent increases above 8% and include a look back.

Vice Mayor Matarrese stated that he would rather not include an amount in the moratorium because he fears there will be many 8% increases; he would rather have an appeal process; property owners with hardships could ask the City Council for relief.

Mayor Spencer inquired whether new fees being charged to tenants could be included, to which the City Attorney responded additional fees passed onto the tenant would be considered part of rent.

Councilmember Daysog stated there should be a moratorium on fees; discussed the cap amount.

The City Attorney stated the definition of rent would include extra fees.

Mayor Spencer inquired whether there is a consensus for the moratorium to have an 8% cap.

Councilmember Oddie noted tenants could still use the RRAC process during the moratorium; stated that he would support a 0% or 8% cap.

Mayor Spencer and Councilmember Ezzy Ashcraft expressed support for the 8% cap.

The City Attorney inquired whether the cap would be cumulative for the past 12 months, the majority of the Council concurred.

In response to Councilmember Ezzy Ashcraft's inquiry regarding what would return to Council for consideration, the Community Development Director stated staff would expand the RRAC ordinance to include a mandatory appearance at the RRAC for rent increases over 8% and a separate ordinance to address just cause eviction and relocation assistance.

Councilmember Daysog clarified staff would present two scenarios: one with rent stabilization and one without.

The Community Development Director agreed that staff would provide an alternative that is binding.

Mayor Spencer inquired whether staff supports expanding the role of RRAC to mediate no cause evictions, to which the Community Development Director responded in the negative.

In response to Mayor Spencer's inquiry, the Community Development Director stated staff would return with two scenarios to address rising rents: enhanced, landlord-initiated mediation at the RRAC for increases 8% or higher and the alternative would be arbitration.

A majority of the Council expressed support.

The City Attorney noted non-binding enhanced mediation would not be rent control.

The Community Development Director stated arbitration would kick in only if mediation

did not work.

Councilmember Oddie stated a mixture would be needed since single family units would not be eligible for arbitration.

The Community Development Director stated the next layer is staff would draft a just cause eviction ordinance that would include relocation benefits.

Councilmember Oddie stated there should be a review period.

In response to Councilmember Daysog's inquiry, the Community Development Director stated relocation assistance and just cause eviction provisions would apply to all units.

Councilmember Oddie stated an extended notice period should be considered if only relocation assistance is considered.

Councilmember Ezzy Ashcraft stated the matter should return to the Council in a year.

Mayor Spencer stated "not to exceed 8%" should be added to Section 2 of the urgency ordinance.

Councilmember Ezzy Ashcraft read the language: "...no housing provider shall notice an increase in rent or increase rent above 8% per year."

Councilmember Daysog stated the language should include "cumulatively looking back twelve months; the sum of which surpasses 8%."

Mayor Spencer inquired whether rent could not be increased above 8% even if the tenant already received notice, to which the City Attorney responded in the affirmative; stated rent cannot be increased during the period.

In response to Mayor Spencer's inquiry, the City Attorney questioned whether the landlord could not evict a tenant during the period even if the notice has been served.

In response Councilmember Ezzy Ashcraft's inquiry, the City Attorney stated the language could be clarified to: "in accordance with State law" and staff would review the matter.

The Assistant City Attorney stated that he does not believe the City could trump an eviction if already noticed; stated the language will have to be tweaked to comply with State law.

Consensus was reached to add the language: "in accordance with State law."

Mayor Spencer inquired whether a definition of rent could be added to make it clear that fees are included.

The City Attorney responded staff can do so.

In response to Councilmember Oddie's inquiry regarding a referendum, the Assistant City Attorney outlined the process.

Councilmember Oddie stated that he would want to extend the moratorium if a referendum is filed.

The City Attorney stated the moratorium could be extended until the new ordinance is in effect.

The City Clerk read the definition of base rent to add to the ordinance: "Base rent' means the rental amount, including any amount paid directly to the Housing Provider for parking, storage or any other fee or charge associated with the tenancy (other than fees or charges for utilities paid directly to the housing provider), that the Tenant is required to pay to the Housing Provider in the month immediately preceding the effective date of the rent increase."

Vice Mayor Matarrese stated since the moratorium is being conditioned with 8%, so he does not believe there should be an appeal process for hardships.

The Assistant City Attorney noted a procedure should be provided if the moratorium is extended.

Vice Mayor Matarrese stated the language should remain unchanged.

Councilmember Oddie requested the wording be read back.

The City Clerk read the language added to Section 2 (a) and (b).

The City Attorney clarified the language added to evictions would be: "as authorized by State law."

The City Clerk noted the definition of rent would also be added.

Councilmember Ezzy Ashcraft moved approval of the urgency ordinance as amended.

Councilmember Daysog seconded the motion, which carried by unanimous voice vote – 5.

ADJOURNMENT

There being no further business, Mayor Spencer adjourned the meeting at 1:36 a.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.