

**Minutes of the Regular Meeting of the
Rent Review Advisory Committee
Monday, April 6, 2015**

1. CALL TO ORDER AND ROLL CALL

Chair Perry called the meeting to order at 7:11 p.m.

Present were: Chair Perry, Vice Chair Miller, and Members Harrison, Nguyen, and Roberts.

Members absent: (none)

RRAC staff in attendance: Claudia Young.

2. CONSENT CALENDAR

a. Approval of the Minutes of the March 2, 2015 Regular Meeting

The draft minutes were approved as submitted. Motion by Miller, seconded by Nguyen, and passed unanimously.

3. UNFINISHED BUSINESS (None)

4. NEW BUSINESS

a. Case 335 – 434 Central Avenue. Unit 308

This item was withdrawn from the agenda, as the tenant and landlord had reached a resolution prior to the meeting.

b. Case 336 – 1100 Pacific Marina Unit 707

Tenant/public speaker: Jed Smith.

Owner representative/public speaker: Odis James, Panomar Apartments manager.

Following discussion, the RRAC recommendation was as follows (motion by Roberts, seconded by Miller):

- Accept the 12-month lease option for a monthly rent of \$3,755.00, effective April 30, 2015.
- Should a one-bedroom unit become available, Panomar agrees to offer it to the tenant first at the rent being charged by Panomar for a one-bedroom unit at that time.
- Should the tenant accept the offer of the one-bedroom unit during the 12-month lease period, Panomar will not financially penalize the tenant for vacating his current unit.

c. City Staff Presentation of Rent Review Ordinance

The presentation was given by Michael Roush, Interim Assistant City Attorney, City of Alameda (ACA).

Public speakers:

- Jeff Cambra – on behalf of Alameda Renters Coalition. A copy of his submittal is attached for reference (Exhibit 1).
- John Sullivan – representing housing providers. A copy of his submittal is attached for reference (Exhibit 2).
- Angela Hockabout – representing Alameda Renters Coalition. She stated that eliminating the right to appeal a rent complaint to City Council was **not** something proposed by the community task force.
- Trish Spencer – thanked the Committee Members for their hard work.

Chair Perry's comments are summarized below:

He thanked the ACA for his efforts in putting together a proposed ordinance and for taking the time to make this presentation to the RRAC.

He thanked everyone for their efforts in addressing rent issues in Alameda and stated that he has been inspired by the good faith with which many people, both landlords and tenants, have engaged in the process.

He stated that RRAC members were intentionally "silent" during this process; both the members of the RRAC and City staff felt it important that throughout the process, and whatever the results of this process might be, that the RRAC's effectiveness hinges on both being and being perceived as a neutral mediation panel at which both landlords and tenants can expect and receive a fair and unbiased hearing of their case and also be heard.

That stated, the RRAC welcomed the opportunity to comment upon and raise whatever questions regarding the proposed ordinance, which is the result of the process undertaken by landlords and tenants and has resulted in the proposed ordinance.

He stated that would like to take the opportunity to say that he has been, and is, honored to serve with his colleagues on the RRAC, who have served this community during times when they did so under the radar screen of public awareness, and have done so recently on the radar screen with professionalism, the understanding that their role is that of neutral mediators, and with care for the community, of which we are all a part, over the past year or so when emotions have at times run high. He added that to some, the RRAC "neutrality" during this community discussion may have been construed as a lack of caring and that he could assure everyone that the RRAC cares deeply about these issues and that it is why they serve on this committee. There are times when, with regard to individual cases, the limitations of the RRAC become apparent and have at times been frustrating to the RRAC, but that he often marveled at and has been heartened by the ability of his colleagues to help fashion the best possible outcome within the constraints of those limitations.

He cited a couple of trends that he has noticed as a member of the RRAC and of this community. He added that he would like to preface these comments by saying that they are not at all intended as commentary about landlords or tenants but are simply trends he has perceived as a member of the RRAC and of this community:

a. Market forces in the Bay Area, as they affect Alameda, are such that he believes we have already experienced a significant change in the renter population here. A walk in our neighborhoods or a trip on the ferry to work in the morning reveals this. To some greater or lesser degree, a displacement and turnover of the renter population has already occurred. The horse is already out of the barn, so to speak.

b. For a variety of reasons, the number of cases which come before the RRAC is a limited subset of the number of cases of significant rent increases that occur during a market such as we have experienced lately. The RRAC does not see them all. People absorb the increase or move without any public awareness of the fact as a case before the RRAC might bring.

He stated that he fears that we are now beginning to see something new happening. Raising rents significantly may be perceived to carry the possibility of a hearing before the RRAC and attendant publicity regarding the case which a landlord may wish to avoid. So, some may hope to avoid this by simply giving a 60-day notice to vacate per State law, no reason need be given, and then raising the rent when a new tenant moves in. This is often referred to as a "no cause" eviction.

He stated that he had received such a notice a few weeks ago. Coincidentally, or not, the attorney who prepared the notice with which he was served was the same attorney who represented the landlord in the Benton Street case, which sparked the community discussion. (He also cited similar experiences of other people he knows.)

He stated that he wanted the City Council to be aware of the use of the 60-day notice in lieu of rent increases, as he is concerned that this may be the preferred method of those few landlords who may wish to avoid a hearing before the RRAC regarding a rent increase.

As to the specifics of the proposed ordinance, he stated that he had several comments and questions:

1. The issue of budget has not been addressed in the presentation, though he understands that may not be the City Attorney's bailiwick. He wanted it brought up so that it does not get lost in the shuffle. Staff expends a great deal of time and effort in administering and handling RRAC matters. With regard to both the ongoing work of the RRAC itself and any ancillary mediation process that may come about, it is important that staff be properly budgeted for the task and he hopes that the Mayor and City Council address the issue of staffing and staff budget when they consider this matter.

2. With regard to new members of the RRAC going forward. Again, he stressed that the RRAC is a mediation panel. Its task, simply and solely, is to "mediate landlord tenant rent disputes." While the RRAC is comprised of tenants, landlords, and a homeowner, which is to ensure that the panel has a balanced perspective and brings a wide range of expertise

and experience to the hearing of each case brought before it. It is not an advocacy panel or group and that he would hope that those who in the future may become members of the RRAC understand that each member's contribution and service while a member of the RRAC consists of mediating, not advocating. He would also hope that the Mayor considers this first and foremost when considering or appointing any new member to the RRAC.

He stated that he believes it would be helpful if language indicating that members are appointed and serve as mediators, and not advocates, be incorporated into the language of the ordinance. (Section 2-23.1).

3. Discussion point #1:

He questioned the legal enforceability of voiding the rent increase for a bad faith failure of the landlord to appear at a hearing, as well as the enforceability of the inability of the housing provider to impose another rent increase for the following 12 months.

Is the RRAC or staff to determine whether a failure to appear is in good or bad faith and by what criteria? (It may not be impossible, but that criteria should be clear.) Are these "penalties" to the landlord, e.g., the voiding of a rent increase, mandatory upon failure to appear? He questioned how this could be at the discretion and recommendation of the RRAC. As the RRAC is only empowered to issue recommendations, how can this penalty be imposed?

He noted that since RRAC members are citizen volunteers, have no judicial or quasi-judicial powers, and have no judicial or governmental immunities, whether some might be hesitant to serve on the RRAC if they felt that they might then be embroiled in a civil lawsuit if it came to that in an individual case over the voiding of a rent increase.

The ACA explained that this section of the Ordinance would give a tenant a defense for not paying an increase in rent if a housing provider filed an unlawful detainer action against the tenant for failing to pay the increased rent. It is true that the RRAC would need to make a finding that a housing provider had failed to appear without good cause or had failed to provide someone at the hearing who had authority to bind the housing provider but it would be up to the tenant to provide that finding to a court should an unlawful detainer action be filed. Neither the City nor the RRAC would be involved in that litigation so the concern that citizens might not want to serve on the Committee because of a fear of being embroiled in a lawsuit is unfounded.

4. Discussion point no. 6:

The Chair stated that based upon his experience serving on the RRAC, He does not believe a threshold for bringing a case before the RRAC is neither necessary nor advisable.

He stated that he could think of only one case during his tenure that involved a rent increase so small that it didn't appear to merit a hearing. Every other case, no matter the amount of the rent increase, merited a hearing of the matter and benefited the parties by having a neutral third party hear them out.

There are often cumulative increases over time which may not be taken into account by a current increase.

Setting a threshold now is simply a statement that in this market at this time that threshold appears reasonable. The market will change. But the threshold, if written into the ordinance, will not. (A few years ago what might have been considered a reasonable threshold would very well have been a different percentage).

He stated that lastly, he is philosophically opposed to depriving any citizen of Alameda of the benefits of a hearing before a City body created to hear such matters. All citizens should have that benefit and right; not only those who meet a threshold created at a point in time which may or may not be reasonable at some other point in time.

He stated that he did not see a threshold as something that is protecting the RRAC from seeing a lot of frivolous cases; in his experience, this is not a problem.

(All RRAC members agreed that a threshold for bringing a case before the RRAC is neither necessary nor advisable.)

5. Appointment of new members of RRAC (Section 2-23.1):

The Chair stated that this was unclear and requested clarification as to how this provision would work from this point in time going forward, e.g., current members, the timetable for seating new members, etc.

The ACA responded that once the ordinance goes into effect, the Mayor will appoint members to the committee, subject to approval by the City Council. The Mayor may appoint current members or not. The way the ordinance is constructed, unless the Council directs otherwise, a person's term of office will begin with the new appointment and time served previously will not count.

Discussion followed regarding cases moving forward to the City Council as a final step: The current process requires any case that is considered unresolved to move forward to the City Council as requested by the tenant. Will this continue to be part of the process?

The ACA responded that staff did not include that as part of the process for several reasons. First, if the ordinance provides for a separate conciliation process to be conducted by an experienced neutral third party, as well as review by the RRAC, it seems that the parties would be required to go through three separate review processes if the City Council is also involved, which seems excessive. Second, if it costs nothing for the tenant to have the City Council review the matter, then there is no reason for the tenant to accept the recommendation of the RRAC since the tenant might do better in front of the City Council. Third, because the number of requests for review is likely to increase significantly, it is likely that the number of requests for the City Council to hear these matters will likewise increase, adding to City Council agendas that are already quite full.

All the RRAC members were adamant that the right to appeal a rent complaint to the City Council should **not** be eliminated.

This item was presented for discussion, only; no RRAC action was requested.

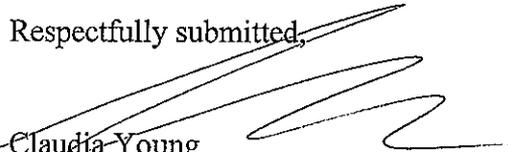
5. ORAL COMMUNICATIONS (None)
6. WRITTEN COMMUNICATIONS (None)

7. PUBLIC COMMENT (none)

8. ADJOURNMENT

The meeting was unanimously adjourned at approximately 8:44 p.m.

Respectfully submitted,


Claudia Young
Secretary

CY:rv

The Rent Review Advisory Committee does not provide legal advice. Each landlord and tenant is responsible for seeking the advice of legal counsel on any matters or document related to their specific circumstances. The Committee's recommendations are not legally binding.

All materials submitted to the Rent Review Advisory Committee are property of the City of Alameda and the Housing Authority of the City of Alameda and are subject to the laws governing Public Records.

Minutes approved by the RRAC on June 1, 2015.

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Jeff Cambra – Mediator/Facilitator
Respect Understanding Collaboration

April 2, 2015

TO: Members of the Rent Review Advisory Committee
FROM: Jeff Cambra, Community Facilitator
RE: Draft Ordinance Language

Good day:

On behalf of the entire community, I would like to thank you for the service you provide to tenants and housing providers in resolving issues between them. As a mediator, I can appreciate the time, effort, and commitment each of you make on the first Monday of each month to assist the parties in coming to a mutually beneficial agreement.

I am writing you in order to submit an Alameda Renters Coalition proposal covering Discussion Point 6 regarding a threshold percentage rent increase that would qualify for a “direct” hearing with the RRAC. This proposal has gained acceptance with a number of housing providers. I have attached emails from housing providers that *conceptually* support the two track mediation process proposed by ARC and the “over 5%” threshold for a formal RRAC hearing.

The draft ordinance contains a number of alternate language situations based on the determination that there was no consensus at the time the staff report was released. The attached letters from housing providers and rental property management companies supports the finding that a number housing providers do approve of the ARC proposal.

I will be attending the RRAC meeting on Monday, April 6, 2015 and would be available to provide additional information as requested by the RRAC and respond to questions regarding the community process.

Sincerely,



Jeff Cambra, Community Facilitator

February 15, 2015

TO: Alameda Housing Providers Focus Group Members

FROM: Alameda Renters Coalition and Renewed Hope Representatives

RE: Proposal for Threshold Percentage to File for a RRAC Hearing.

The Alameda Renters Coalition (ARC) would like to thank all the housing providers that supported the community discussion project and for writing to the City Council or speaking on January 20th. ARC and Renewed Hope (RH) are pleased with the accomplishments tenants and housing providers have made regarding discussion points one through five and are confident that the two groups can reach an agreement on discussion point six that satisfies the needs of tenants and does not unduly burden housing providers.

To this end, ARC would like all of the focus group housing providers to review a comprehensive plan that ARC will be presenting to the City staff as our proposal to resolve discussion point six. We have requested Jeff Cambra to submit this proposal to the focus group housing providers that met in December for consideration prior to forwarding it to the City staff.

Before presenting the plan, ARC wants to thank the focus group housing providers for taking the time and effort to continue the discussion regarding what amount or percentage of rent increase would qualify for a RRAC hearing. ARC understands the impacts that having a too low trigger point could have on the RRAC and housing providers.

Conceptually, ARC and RH believe that the best way to resolve tenant/landlord issues is by getting the two sides together so that they can discuss and agree on a resolution that fits their individual and unique situation. The current landlord proposal of 10% as the threshold for a RRAC hearing sets the bar too high and takes away the opportunity for the tenant and landlord to get together with a neutral person to work out a possible resolution that could be tailored to their unique situation. As Angela Hockabout stated in her January 3, 2015 letter rejecting the housing providers proposal of a 10% threshold, "Any proposal that limits access to the RRAC is a no go."

ARC has reviewed this requirement and has changed its position. ARC has a strong interest in creating a place where tenants and housing providers can come together to try and work out their individual situation in an environment that puts the tenant facing any amount of rent increase on equal footing with the property owner, the resident manager, or the representative of a third party management company. It is important to have a neutral third person or a panel be available to aid the parties in having this discussion and arriving at a resolution.

Under the present system, the RRAC is the only place a tenant can go to have a voice and most tenants don't even know about the availability of the RRAC! Fortunately, this situation is being resolved with the implementation of the six discussion points. At the Wednesday, January 7, 2015 public meeting, the RRAC speaker mentioned that the city refers cases to ECHO Housing. One of our members actually used ECHO Housing to resolve her case after the property management company retaliated against her. ARC believes that under well defined procedures, ECHO housing could be the place for tenants with smaller rent increases could go to be heard.

ARC would consider a non-RRAC process as a way of resolving the less impactful issues between tenants and landlords *on a trial basis* in order to evaluate the effectiveness of an abbreviated mediation process using ECHO Housing as the neutral third party facilitator. This informal process could involve a face to face mediation session at a mutually agreed to location, a conference call between the tenant and the landlord facilitated by a mediator, or individual "caucus" session with each party. This abbreviated process could be utilized as an expedited hearing when the tenant cannot wait for the next RRAC hearing. ARC would also propose, as a precursor to this informal ECHO Housing process, a mandatory "meet and confer" discussion between the tenant and the landlord, unless the tenant clearly expresses the desire to have a third party facilitate the initial discussion.

ARC has heard from a number of its members that they are concerned about discussing rental issues with a manager or owner for fear of retaliation. This is consistent with the experiences of other cities. Please see the Fremont mediation summary reports (Exhibit A, Pages 1-2) in which one of the main reasons tenants do not file an application for a mediation session is fear of retaliation.

From the tenant's perspective, retaliation goes beyond getting a notice to vacate within six months of having a hearing and extends to getting a notice to vacate *after* the six month period ends, an immediate deterioration of the on going tenant/landlord relationship (or the on site manager), and being labeled a "problem" tenant with the property management company, which would restrict the tenant's ability to find another unit from any of the local management companies.

This is one reason why ARC requires a process that brings the parties together in a neutral place with a mediator. Landlords and tenants are very diverse within their respective categories. A case-by-case resolution that addresses both tenant and landlord interests is far superior to any systematic "one size fits all" approach to resolving rental issues.

Echo Housing has trained mediators with experience in resolving housing issues and the RRAC has experienced landlords and tenants on the panel that know the housing business and rental issues facing tenants and housing providers. Their experience can sometimes suggest ways for the landlord to accomplish his/her objectives by structuring the rent increase differently. For example, a tenant may just need a ramp up period to be able to make adjustments in spending in order to pay the full increase amount. Perhaps the timing of the increase may be the only obstacle. An example could be, "My car payment ends in two months and I will have the extra money then." Conversely, a tenant may accept the larger rent increase as noticed if the 7 year old rug is replaced, the window that won't lock is fixed, or the dripping faucet is attended to. Any solution must consider the unique aspects of both the tenant's situation and the housing providers needs. All of these solutions are possible, but only if the tenant and landlord come together and discuss the matter with the assistance of a mediator.

ARC will support a process that provides a tenant facing a rental housing issue with an opportunity to first discuss the issue directly with the landlord or property manager. If that is unsuccessful, the tenant or landlord could contact ECHO Housing and engage in an informal mediation process that is mutually agreeable to both parties. If the informal mediation process does not resolve the issue, then tenants facing rent increases greater than 5% would have the opportunity to apply for a full RRAC hearing on the rent increase. If the rent increase is 5% or less, the RRAC would determine if it wanted to hear the case. Please see Exhibit B for a graphic flow chart representation.

ARC has considered the housing providers 10% threshold to the RRAC and rejected it, because it would deny tenants with the most need for a formal mediation from having that opportunity. According to Councilmember Daysog's statistics, which are part of the City's record of this process, almost half of the City's renters are paying more than 30% of their gross income to rent. (See Exhibit C). A review of the Alameda Renter Median Household Gross Income report shows that renter's gross income has dropped from a high of \$59,653 (2005-2007) to a low of \$51,712 (2011-2013) resulting in a loss of median gross income of \$7,941. (See Exhibit D).

For the purposes of this discussion, ARC is assuming that 20% of a renter's gross income goes to taxes. This leaves \$41,369 (\$51,712 times 80%) of actual income. Dividing this amount by 12 months leaves \$3,447 of actual monthly income. According to the latest Gallagher & Lindsey rental listings, the cheapest one bedroom, one bath unit is running \$1,500 and the low average for a 2 bedroom, 1 bath unit is \$2000. This means that half of Alameda tenants are paying 43% and 58% of their actual income for a one bedroom and two bedroom unit, respectively. In assessing the impact of a 10% increase in rent on actual income, ARC finds that this increase on the two bedroom example would be \$2000 + \$200 divided by \$3447 which equals 63% of actual income going to rent.

Proposal for Threshold Percentage to File for a RRAC Hearing.

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ARC is not insensitive to the rising costs and expenses that landlords face each year. It understands that a landlord's income is based on the market and, for the most part, is out of the landlord's control. Consequently, it recognizes that landlords need to make money when the market presents the opportunity to raise rents. However, when these market forces, through the application of a single large rent increase or a series of significant rent increases year over year, displace tenants who have lived in the same complex for multiple years, ARC becomes concerned. When this situation presents itself, ARC understands that in some cases the landlord may need the money for improvements or to cover increased expenses. How do tenants and landlords balance the need for increased rent with the ability to pay the increase?

The solution to resolving these situations is to have a neutral place for tenants who are facing rent increases to work collaboratively with their housing provider to attain a mutually agreeable resolution. For rent increases over 5%, ARC believes that the impact of a rent increase on the tenant merits a formal mediation with the RRAC.

Considering the potential impact of a rent increase on a tenant that could result in the tenant having to move out of their home verses requiring the landlord to participate in a thirty minute non-binding RRAC hearing that has had great success in resolving tenant/landlord issues, ARC does not understand the basis for objecting to a greater than 5% threshold to have a RRAC hearing.

While ARC would like to arrive at a mutually agreeable resolution to Point #6, with the current landlord proposal of 10% being the only amount being offered, ARC is quite content to let the City decide the amount. ARC believes that the City will select a number well below 10% based on the following information:

- A review of the reports from other cities using mediation to resolve rental housing issues shows that the great majority of cities with rent mediation boards have **NO** limits on a tenant's right to file a petition. ARC has reviewed the laws in San Leandro, Fremont, Alameda County, Palo Alto, Santa Barbara, and a number of other cities. No city has a 10% threshold. San Leandro does have a 10% **OR \$75 MINIMUM**. Consequently, there is no municipal precedent for imposing ANY threshold for having a formal hearing.
- When the RRAC talked about having a minimum percentage or amount, they specifically used the word "frivolous" at all three meetings. In subsequent private conversations with RRAC members individually, a number of them spoke of no limit or limits in the \$50 to \$75 range. This would translate to a 2.5% to 3% threshold percentage for a \$2000 per month rent. Based on conversations with the RRAC, ARC does not thing

that the RRAC considers 9%, 8% or even 6% frivolous enough to deny the tenant a hearing.

- At the January 20th City Council meeting, Mayor Spenser and other Council members discussed the five discussion points we all agreed on and questioned having any limit at all on RRAC hearings since it seemed to be working well. What has become very clear to ARC in our discussions with both the members of the City Council and the staff is that they strongly favor a system that brings tenants and landlords together to let them try to work out their issues. ARC believes that any provision which puts an obstacle in the way of achieving that objective will be disfavored by the Council.

With that said, ARC also understands that going to a formal RRAC hearing for a 2% rent increase is burdensome on both landlords and the RRAC and might not be practical if the RRAC has to deal with a lot of little cases, which the statistics do not support. This is why ARC are willing to consider a formal mediation process with a reasonable threshold of greater than 5% rent increases with a less formal, less burdensome, less costly informal mediation process available to those tenants facing rent increases of 5% or less.

ARC is impressed with the efforts of the City's local housing providers to resolve even the very tough issues using an "after hearing" informal intervention. The City just had the perfect example of this situation at the RRAC hearing held on January 6, 2015. Six tenants from the Croll's Garden complex received 18% rent increase notices (ranging from \$225 to \$275) when the history of increases was \$50 to \$75 annually. In the RRAC hearing, the attorney confirmed that no significant maintenance or capital improvements were made to the property, that the basis for the rent increase was a market survey, and indicated that rents were "well below" market rate. Could this landlord have made any accommodations? ARC attended the hearing and heard a resounding NO! Even in this extreme case, Mr. Lindsay was able to resolve this difficult situation. ARC believes that working together our combined efforts can resolve even the most challenging issues facing both tenants and housing providers.

To summarize, the ARC objective is to have a neutral place where tenants who are facing rent increases can go to try and obtain a mutually beneficial resolution. With the current landlord proposal of 10% as the only amount being offered, ARC has nothing to lose by letting the City decide the amount. Given all the statistics and the discussions we have had, ARC believes that if the City decides to select a threshold percentage, it will be well below 10%.

**Proposal for Threshold Percentage to File for a RRAC Hearing.
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ARC hopes that the five members of the housing provider focus group will reconsider the 10% figure and join ARC in submitting the proposal outlined above. The ARC Focus Group members are available to discuss the details of this proposal prior to submitting it directly to the City staff with the exception of the 5% figure. We have directed Mr. Cambra to transmit this letter to Debbie Potter no later than Friday, February 20, 2015, unless the members of the housing providers focus group express an interest in continuing the discussion on point 6. Thank you for continuing the conversation.

Respectfully submitted,

Alameda Renters Coalition Executive Committee

Rent Increase Statistical Summaries and Trends

As the designated service provider for the Residential Rent Increase Dispute Resolution Ordinance (RRIDRO), from July 1, 2012 through June 30, 2013 the agency handled a total of 371 rent increase calls (309 tenants, 62 landlords) and opened 50 cases for dispute resolution. Of the tenants who called, 16% opened cases, and none of the landlords opened cases. Of the tenants who chose not to open cases, nearly all said their reason for declining was the non-binding nature of the process and/or their fear of retaliation by the landlord.

Of the 50 cases opened, 10 involved invalid increases (20%) and 40 involved requests to lower valid increases (80%). Of the 10 cases with invalid increases, 9 had violations of the RRIDRO Notice and/or 12-month rules (18%), and 1 had a violation of a BMR Regulatory Agreement limit (2%).

The one case with a violation of a BMR Regulatory Agreement came from Pickering Place Apartments. The tenant received an \$80 increase (8.4%), which the landlord reduced to \$28 (2.9%) after conciliation. Three other tenants at Pickering Place (whose cases were opened in the previous year) had received increases of 9%, 4.4%, and 18.6%, and each increase was reduced to less than 3%.

Of the 40 cases involving requests to lower valid increases, 6 cases (15%) resulted in rent reductions. In the first case, the tenant received a \$239 increase (13.7%), which the landlord reduced to \$89 (5.1%) after conciliation. In the second case, the tenant received a \$590 increase (41.4%), which the landlord reduced to \$290 (20.3%) after conciliation. In the third case, the tenant received a \$135 increase (9.4%), which the landlord reduced to \$100 (7%). In the fourth case, the tenant received a \$159 increase (8.8%), which the landlord reduced to \$114 (6.3%) after conciliation. In the fifth case, the tenant received a \$335 increase (23%), which the landlord reduced to \$222 (15%) after conciliation. In the sixth case, the tenant received a \$150 increase (13%), which the landlord reduced to \$115 (10%) after conciliation. There were 4 cases (10%) in which the landlord declined to reduce the amount of the increase but instead agreed to delay the effective date of the increase by one to five months. In one of these cases, the landlord also agreed to do extensive renovations to the unit.

Of the 50 cases opened, the increases ranged from a low of 1.9% to a high of 35.8%, with an average of 11.3%. In general, tenants reported that current increases were larger than increases in previous years. Tenants also reported that the premium charged to rent on a month-to-month basis, rather than a fixed-term lease, is currently higher than in previous years. In one case, the tenants had lived at the complex for ten years and were offered a 6-month lease with a 20.3% increase, but if they wished to continue renting on a month-to-month basis, the increase went to 41.4%.

371 - 7 invalid cases = 364 / 6 rent reduction = 270

Rent Increase Statistical Summaries and Trends

As the designated service provider for the Residential Rent Increase Dispute Resolution Ordinance (RRIDRO), from July 1, 2013 through June 30, 2014 the agency handled a total of 367 rent increase calls (302 tenants, 65 landlords) and opened 55 cases for dispute resolution. Of the tenants who called, 18% opened cases, and none of the landlords opened cases. Of the tenants who chose not to open cases, nearly all said their reason for declining was the non-binding nature of the process and/or their fear of retaliation by the landlord.

Of the 55 cases opened, 12 involved invalid increases (22%) and 43 involved requests to lower valid increases (78%). Of the 12 cases with invalid increases, 11 had violations of the RRIDRO Notice and/or 12-month rules (20%), and 1 violated the rental agreement (2%).

Of the 43 cases involving requests to lower valid increases, 6 cases (14%) resulted in rent reductions. In the first case, the tenant received a \$255 increase (13.5%), which the landlord reduced to \$205 (10.8%) after conciliation. In the second case, the tenant received a \$250 increase (10%), which the landlord reduced to \$150 (6%) after conciliation. In the third case, the tenant received a \$196 increase (10%), which the landlord reduced to \$131 (6.6%) In the fourth case, the tenant received a \$230 increase (13.5%), which the landlord reduced to \$180 (10.6%) after conciliation. In the fifth case, the tenant received a \$15 increase (2.9%), which the landlord reduced to \$0 (0%). In the sixth case, the tenant received a \$25 increase (3%), which the landlord reduced to \$0 (0%).

Of the 55 cases opened, the increases ranged from a low of 2.9% to a high of 33.3%, with an average of 10.7%. In general, tenants reported that current increases were larger than increases in previous years. Tenants also reported that the premium charged to rent on a month-to-month basis, rather than a fixed-term lease, is currently higher than in previous years. In a typical case, at a large complex, the tenant was offered a lease with an increase of \$150 (10%), or a month-to-month tenancy with an increase of \$672 (42%).

302 Tenants Called
 - 12 Invalid
 - 270 / 6 rent reductions = 29%

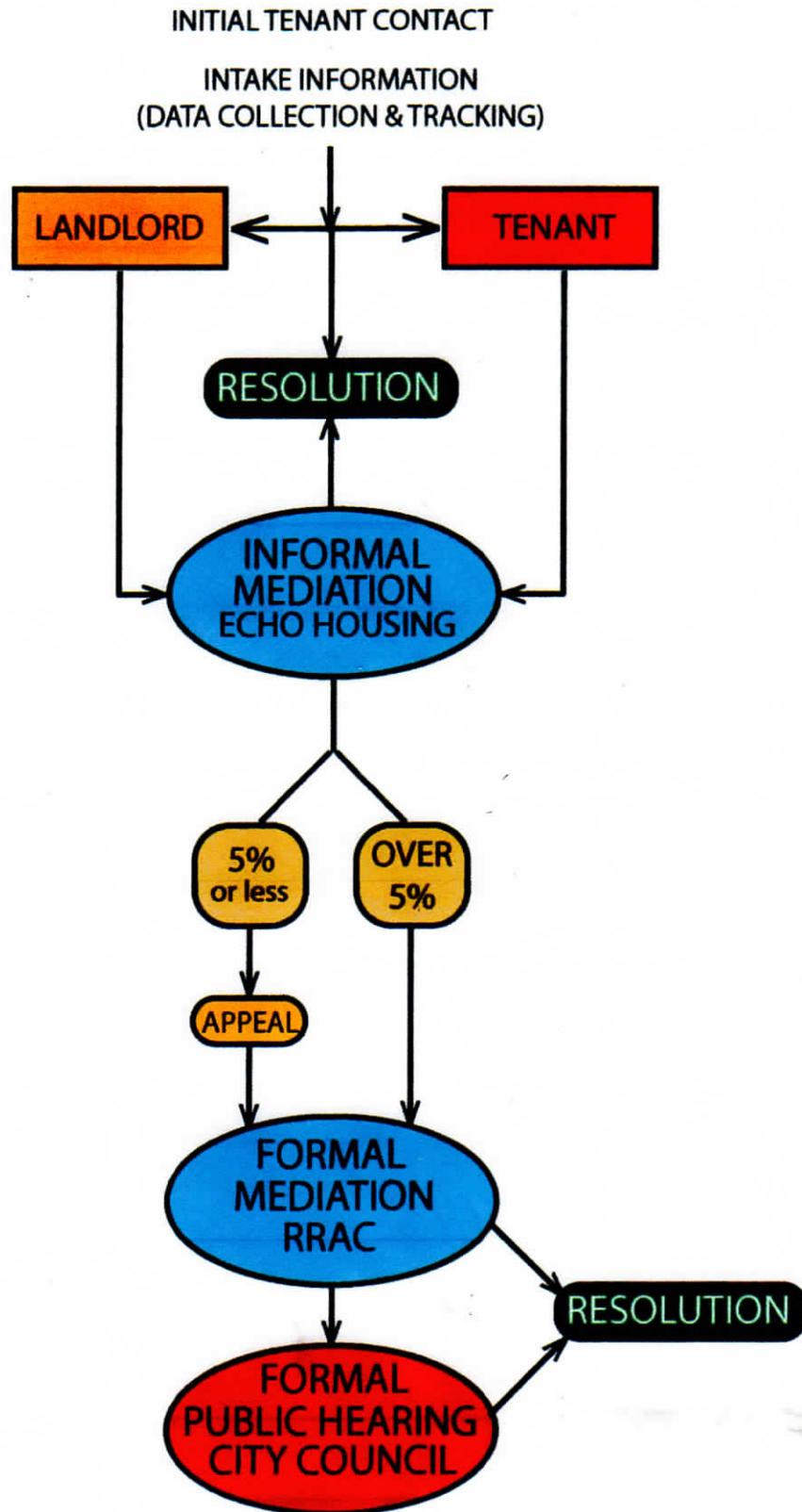


Table 1. City of Alameda: Number of Renters in Unaffordable Versus Affordable Housing Situations: Pre-Recession, Recession, and Recovery Periods

Source: US Census American Community Survey 3-Year Samples (2005-2007, 2008-2010, and 2011-2013): Tables B25070, B25071, B25064

	pre recession	recession	recovery
	2005-2007	2008-2010	2011-2013
	3-Year Period	3-Year Period	3-Year Period

Total Rental Households: 14,726 14,822 15,894

<30 percent rent-to-income ratio **56% 54% 48%**

30 and more rent-to-income ratio 39% 42% 46%

Not computed **5% 4% 6%**

median gross-rent as % of HH income 26.8% 27.5% 29.4%

\$1,301 (\$1,373)

\$1,272 (\$1,342)

Table 5. City of Alameda, Alameda County, Oakland, and San Leandro: Renter Median Household Income Trends: Pre-Recession, Recession, and Recovery Periods

Source: US Census American Community Survey 3-Year Sample s(2005-2007, 2008-2010, and 2011-2013): Tables B25074 and B25119

	pre recession 2005-2007 3-Year Period	recession 2008-2010 3-Year Period	recovery 2011-2013 3-Year Period
City of Alameda	\$59,653	\$57,736	\$51,712
Alameda County	\$46,904	\$47,444	\$45,294
City of Oakland	\$35,559	\$36,155	\$35,629
City of San Leandro	\$51,139	\$46,180	\$47,222

**LETTERS OF
SUPPORT FROM
HOUSING
PROVIDERS**

Thursday, April 2, 2015 3:42:17 PM Pacific Daylight Time

Subject: Re: Support for over 5% threshold for RRAC hearing
Date: Monday, March 30, 2015 2:24:12 PM Pacific Daylight Time
From: Victor Jin
To: Jeff Cambra
Category: Holiday

The concept has my support

Victor Jin, CRB
Licensed Real Estate Broker
BRE# 00588937
1300 Encinal Avenue
Alameda, CA 94501
www.ISellIRE.com
[REDACTED]
[REDACTED]

Thursday, April 2, 2015 3:42:45 PM Pacific Daylight Time

Subject: RE: Support for over 5% RRAC hearing
Date: Monday, March 30, 2015 11:03:37 AM Pacific Daylight Time
From: Jan Mason
To: 'Jeff Cambra', 'Gregg McGlinn', 'Mike Baldasarra'

Yes, I apologize for not getting the email to Debbie.
OMM, INC. does support the over 5% threshold for an RRAC hearing.
Thanks for giving us another opportunity to voice support for this Jeff.
Jan

Janice L. Mason, Owner/REALTOR
OMM, INC.
2514 Santa Clara Avenue
Alameda, CA 94501
(510) 522-8074 (w) (510) 381-1573 (c)
jan@ommhomes.com

CalBRE#: 00867680

Subject: FW: RRAC draft ordinance
Date: Friday, March 27, 2015 10:55:35 AM Pacific Daylight Time
From: Mark Teufel
To: jeffcambra@earthlink.net
Category: Holiday

FYI

Thanks,
Mark

From: Mark Teufel
Sent: Friday, March 27, 2015 10:55 AM
To: 'dpotter@alamedaca.gov'
Subject: RRAC draft ordinance

Dear Ms. Potter,

I am a regional portfolio manager with Sequoia Equities, Inc., and our firm manages two properties in Alameda with a combined total of 468 apartment homes. I am writing to communicate our support for the proposal to include a rent increase threshold of more than 5% to qualify for a direct non-binding mediation session with the RRAC. We think this is a reasonable threshold given the current state of the Alameda rental housing market.

In addition, we support the proposal to require city staff to report on the activity of the RRAC on a semi-annual basis, so that tenants and landlords have the opportunity to review the functioning of the new ordinance and this threshold.

Thank you,



Mark Teufel, CPM
Regional Portfolio Manager

1777 Botelho Drive Suite 300 | Walnut Creek, CA 94596
phone: (925) 945-0900 | fax: (925) 256-3780

www.ExperienceSequoia.com

Find us here:



Subject: draft ordinance concerning RRAC
Date: Thursday, March 26, 2015 6:56:38 PM Pacific Daylight Time
From: Don Lindsey
To: dpotter@alamedaca.gov
CC: Jeff Cambra
Category: Personal

Debbie.

As you are aware I have been involved in the process with Jeff Cambra relative to the issue of rising rents in Alameda.

Gallagher and Lindsey Property management manages several hundred residential units in Alameda.

I strongly recommend inclusion of a 5% threshold for hearing cases of excessive rent increases in the draft ordinance to be submitted to the Alameda city council pending approval of the drafted language.

In addition I support the concept that will require city staff to report on the activity of the RRAC on a semi-annual basis so that tenants and landlords have the opportunity to review the functioning of the new ordinance and this threshold.

Thank you

Don Lindsey

Sent from my iPad

Subject: RRAC

Date: Thursday, March 26, 2015 10:48:14 PM Pacific Daylight Time

From: Ken Gutleben

To: dpotter@alamedaca.gov

CC: Jeff Cambra

Category: Personal

Hi Debbie. My name is Ken Gutleben I'am a landlord of 4 duplex's. I have reviewed item # 6 and agree that 5% is a satisfactory level. I believe that RRAC will work will for both the landlord and the Tenants. My goal is to keep my Tenants happy about where they live by maintaining the property's. With a small rent increase I will be able to do that. Thank you for all your work on this project. Ken Gutleben

Sent from my iPad

Subject: Rent Review Advisory Committee
Date: Thursday, March 26, 2015 6:01:05 PM Pacific Daylight Time
From: [REDACTED]
To: dpotter@alamedaca.gov
CC: jeffcambra@earthlink.net
Category: Personal

Ms. Potter,

I am Dennis Cox, a resident of Alameda and the owner of the eighteen unit apartment building at [REDACTED].

I have been a participant in the efforts to achieve a consensus of both housing providers and renters in ways to address the occasional, but unfortunate, outsized increases that sometimes are initiated by providers. The underlying reasons this sometimes happens have been the subject of many meetings of both tenants and providers coordinated and presided over by Jeff Cambra, (who has done a great job in my opinion), so at this point all parties concerned are fairly aware of both sides issues and concerns. And it appears that consensus has been achieved on several points, mostly dealing with notifications regarding the RRAC. One unresolved issue is what threshold rent increase, if any, should there be before a RRAC hearing is eligible to be requested.

I personally favor a 10% rent increase threshold since it dovetails so nicely with the State of California requirement for the trigger to require 60 day notification vs the regular 30 day requirement. However, I understand that there is support among the tenant groups for a possible 5% threshold and so am willing to compromise my position.

This email then is to advise you that I am in support of at least this 5% threshold, and think this should be included in the draft ordinance.

Additionally, so as to be able to monitor the effectiveness of any resulting ordinance, I would like to see the City Staff be required to report on the RRAC activities at least semi annually.

Please feel free to contact me with any questions or concerns. Most sincerely,

Dennis Cox
[REDACTED]

Subject: Rent Review

Date: Thursday, March 26, 2015 5:07:16 PM Pacific Daylight Time

From: Linda Soulages

To: dpotter@alamedaca.gov, Jeff Cambra

Category: Personal

Dear Ms.potter-

My husband Gary and I are long time landlords in Alameda. I participated in Mr. Cambra's residential rental housing discussions. I conceptually support the over 5% threshold pending review of the draft language and require city staff to report on activity of the RRAC on a semi annual basis so that the tenants and landlords have the opportunity to review the functioning of the new ordinance and this threshold.

Very Truly Yours

Linda Soulages

To: R.R.A.C. Board City of Alameda

From: John Sullivan – Housing Provider Alameda

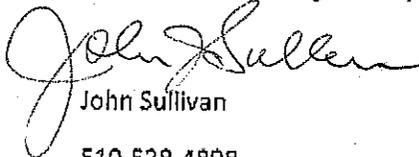
I appreciate you giving of your time to be a member of the R.R.A.C. Board. I understand that you will be reviewing the proposed Rent Review Ordinance and making recommendations.

Back some 15 or so years ago I was involved, representing the Southern Alameda County Apartment Owners Association and California Apartment Owners Association, with the crafting of mediation ordinances in both Fremont and San Leandro. Naturally I stayed close to those Boards since, giving me a good insight as to their successes and their weakness.

I have also been involved with Jeff Cambria and his group since last September. There are some portions of the Proposed Ordinance that I have concerns with. I have outlined those concerns in the attached "Concerns with Alameda Proposed Rent Review Ordinance".

I respectfully request that you would take into consideration those concerns and the other back up material attached. I would be happy to hear from you if you have questions.

Thank you again for your valuable contribution as R.R.A.C. Board members.



John Sullivan

510-538-4898

EmeraldProp@sbcglobal.net

Concerns with Proposed Alameda Rent Review Ordinance

Exhibit 2 - Page 6 of 7 - 6.56.10 strike "Nor Notice another Rent Increase for One Year". This could have legal ramifications. R.R.A.C. Board should not be placed in a position to act as judge and jury relative to whether the reason for not appearing was "good".

Exhibit 2 - Page 6 of 7 - 2.23.2 - Not practical to mandate Housing Providers to be Alameda Residents. Raises a legal question. A Housing Provider doing business in Alameda, paying Real Estate Taxes, paying for a Business License etc. but being denied the ability to be a Board Member is too restrictive. San Leandro Ordinance carries the same restriction. Consequently, for over a year now, one of the Housing Providers positions on their Board has remained unfilled resulting in an unbalanced voting body. Presently, we are going through the motions of correcting this.

Other Vital Elements

The Trigger. The Proposed Ordinance leaves open the "trigger" - the percentage of rent increase that mandates a Housing Provider to appear before the Board. Setting that percentage too low will overcrowd the R.R.A.C. In other Rent Review Ordinances we find that a tenant, noticing that a low percentage is mentioned simply takes that to mean that he/she should never be expected to pay above that figure.

History shows us that the economy dictates whereby a Property Owner cannot, in any say 5 to 10 years cycle, raise rents more than 2% or 3% in many years. There are years where no increases can be given. Those scenarios will come around again as they did 4 to 8 years ago. A Housing Provider simply must have the flexibility to achieve higher increases in the better economic years to maintain his property. This is well illustrated in some attached material.

Don't Overwhelm R.R.A.C. Please read the attached very important article thus titled. This could be very effective. It would reward the good conscientious Property Provider. It could be applied regardless of where the trigger comes down. It lines up with the A.R.C. position of 5% but it gives that vital flexibility to a Property Provider to go above a set trigger to make up for years when rents cannot be raised.

Rent Increases Exceeding 15%. The proposal as shown in attached material to mandate 120 day notices would be vital to tenants. As you have experienced as mediators extra time opens up extra options for tenants.

John Sullivan · 510-538-4898

The R.R.A.C. Trigger:

Open Mind: Let's all for now take off our Landlord – our Tenants caps. We are here to help craft the best possible Mediation Ordinance for Alameda. Luckily we can learn from the San Leandro, the Fremont, and the Alameda County Ordinances – the areas that caused failure.

10% Trigger: Those Ordinances all were drawn up with the 10% concept or their mediators used the 10% as a benchmark in their mediations, much like Alameda's R.R.A.C.

Worked Well: This worked well except that San Leandro and Alameda County Ordinances said 10% or \$75.00, which happened to be 10% back 15 years ago, when the ordinances were put in place. Today it is more like 5%.

~~At~~ Move demand

Trigger: The above mentioned ordinances saw fit to set the trigger at 10%. Unfortunately by quoting \$75.00 it has led to much confusion. How? It worked OK at first but now tenants are filing on a \$90.00 or \$100.00 increase. This is frustrating to a landlord having come through years of no increase or very low increases and indeed some years of actual rent reduction. From the tenants prospective they see \$75.00 figure written down and understandably they feel that is the most they should pay.

Mediation – What is expected? Once a landlord appears before a Board he is expected to give up some ground. Often he encounters some peer pressure urging his cooperation. Obviously, with increasing costs he can easily justify the increase. Having a low trigger has the effect of a landlord being forced to hold to this increase rather than mediate in the true sense. A landlord, desperate to cover his costs of operation, may be pushed to ask for a bigger increase than he expects just so that he can come down. This creates frustration to tenants, to landlords and to mediators as it removes the atmosphere of "Trust" and "Give and Take" that is so vital to any mediation program.

10% Trigger is vital to the industry: In any 10 or 15 year cycle its really only available 2 or 3 years. Evaluating rent increase history on Alameda Tenants who didn't move over the past 10 years they all had several zero increase years and many 1% and 3% years. Let's not overlook the big savings to tenants in those years.

BOTTOMLINE:

To achieve the average 4-5% before taxes that is needed to operate rental housing a landlord must be able to get that 8% to maybe 12% for that few years in say a 10 to 15 year cycle. Otherwise the property will fall into disrepair, foreclosure or whatever, all to the detriment of the tenants and the community. See attached "History of Increases".

The Mediation Services mentioned mandated the 10% trigger. R.R.A.C. suggests 10% as reasonable in their deliberations. Let's mandate the 10% to prevent the frustrations mentioned. Setting a lower trigger is not fair to tenants. It gives them the false notion that that figure is the maximum that they should be expected to pay.

The Bigger Picture

The City of Alameda Rent Review Ordinance ordains that the R.R.A.C. Committee reviews complaints of "*significant*" Rent increases.

Holding to the 5% trigger is a real problem. If the idea is to give everyone their "*day in court*" then that can be accomplished by:

- A) Mandatory Tenant/Landlord communication.
- B) Access to E.C.H.O. Housing on smaller increases.
- C) R.R.A.C. Hearing if above 10% trigger.

My Reasons for the 10% - As already stated:

What is best for majority of Tenants?

That's the question you should ask yourselves?

Is it just holding out for the 5% or is it Items A) thru G)?

For the best possible Mediation Program for Alameda that will be free of the "*hang ups*" mentioned let's all agree on the 10% concept along with ECHO Housing involvement on smaller increases.

Then let's be sure that all other sections of A) thru G) are addressed.

"TRIGGER - ANNUAL AVERAGES"

Average Annual

about 4.5%

Move In Date 5/1/1997
 Move In Rent, \$ 850.00
 Current Rent 1,515.00
 Avg Annual 4.8%
 Rent Adjustment History

Date	Rent Adjustment %	Rent, \$
7/1/1998	75.00 8.8	925.00
7/1/1999	50.00 5.4	975.00
9/1/2000	95.00 9.7	1,070.00
7/1/2001	125.00 11.6	1,195.00
7/1/2002	50.00 4.1	1,245.00
8/1/2006	30.00 2.4	1,275.00
8/1/2007	25.00 1.9	1,300.00
8/1/2008	40.00 3.0	1,340.00
8/1/2009	25.00 1.8	1,365.00
5/1/2011	45.00 3.2	1,410.00
5/1/2012	30.00 2.1	1,440.00
8/1/2013	75.00 5.2	1,515.00

4 years zero increase

Move In Date 10/18/1998
 Move In Rent, \$ 1,050.00
 Current Rent 1,370.00
 Avg Annual 2%
 Rent Adjustment History

Date	Rent Adjustment	Rent, \$
9/1/2000	95.00	1,145.00
10/1/2001	125.00	1,270.00
9/1/2002	50.00	1,320.00
3/1/2003	-120.00 X	1,200.00
8/1/2007	10.00	1,210.00
10/1/2008	40.00	1,250.00
10/1/2012	25.00	1,275.00
8/1/2013	95.00	1,370.00

7 years zero increase
 MINUS Rent Reduction
 by #120⁰⁰ year 2003.

Move In Date 7/1/1998
 Move In Rent, \$ 1,065.00
 Current Rent 1,330.00
 Avg Annual 1.6%
 Rent Adjustment History

Date	Rent Adjustment	Rent, \$
7/1/2000	95.00	1,160.00
7/1/2001	100.00	1,260.00
10/1/2002	35.00	1,295.00
8/1/2007	25.00	1,320.00
8/1/2008	25.00	1,345.00
9/1/2010	-95.00	1,250.00
5/1/2011	25.00	1,275.00
5/1/2012	10.00	1,285.00
5/1/2013	45.00	1,330.00

6 years zero increase
 MINUS
 year 2010 Rent Reduced #95⁰⁰

Move In Date 8/1/1999
 Move In Rent, \$ 795.00
 Current Rent 1,170.00
 Annual Avg 3.3%
 Rent Adjustment History

Date	Rent Adjustment	Rent, \$
7/1/2001	50.00	845.00
7/1/2002	35.00	880.00
8/1/2005	30.00	910.00
8/1/2006	35.00	945.00
8/1/2008	30.00	975.00
5/1/2011	45.00	1,020.00
5/1/2012	55.00	1,075.00
5/1/2013	95.00	1,170.00

6 years zero increase

History of Increases

MINUS

History of Increases

Move In Date 5/17/1997
 Move In Rent, \$ 875.00
 Current Rent 1,515.00
4.5 Annual Average

Rent Adjustment History

Date	Rent Adjustment %	Rent, \$
7/1/1998	75.00 8.5	950.00
7/1/1999	75.00 7.8	1,025.00
10/1/2000	95.00 9.2	1,120.00
10/1/2001	60.00 5.3	1,180.00
11/1/2002	50.00 4.2	1,230.00
8/1/2005 <i>Zero 2 years</i>	30.00 2.4	1,260.00
8/1/2006	30.00 2.3	1,290.00
8/1/2007	40.00 3.1	1,330.00
8/1/2008 <i>Zero 2 years</i>	40.00 3.0	1,370.00
5/1/2011 <i>Zero 2 years</i>	25.00 1.8	1,395.00
5/1/2012	25.00 1.8	1,420.00
8/1/2013	95.00 6.7	1,515.00

4 years Zero Increase

Move In Date 11/2/1993
 Move In Rent, \$ 775.00
 Current Rent 1,400.00
4% Annual Average

Rent Adjustment History

Date	Rent Adjustment	Rent, \$
7/1/1996 <i>Zero 2 years</i>	20.00	795.00
7/1/1999 <i>Zero 3 years</i>	95.00	890.00
9/1/2000	95.00	985.00
7/1/2001	140.00	1,125.00
7/1/2002	50.00	1,175.00
8/1/2007 <i>Zero 4 years</i>	35.00	1,210.00
8/1/2008	35.00	1,245.00
8/1/2009 <i>Zero 2 years</i>	20.00	1,265.00
5/1/2012 <i>Zero 3 years</i>	40.00	1,305.00
5/1/2013	95.00	1,400.00

10 years Zero Increase

Move In Date 5/17/1992
 Move In Rent, \$ 735.00
 Current Rent 1,470.00
Annual Average 4.7%

Rent Adjustment History

Date	Rent Adjustment	Rent, \$
8/1/1993	30.00	765.00
8/1/1994 <i>Zero 1 year</i>	30.00	795.00
7/1/1996 <i>Zero 2 years</i>	30.00	825.00
8/1/1997	95.00	920.00
7/1/1998	75.00	995.00
7/1/1999	55.00 10.50	1,050.00
7/1/2000	95.00	1,145.00
7/1/2001	125.00	1,270.00
7/1/2002 <i>Zero 5 years</i>	50.00	1,320.00
8/1/2008 <i>Zero 2 years</i>	20.00	1,340.00
5/1/2012	35.00	1,375.00
10/1/2013	95.00	1,470.00

6 years Zero Increase

Move In Date 2/1/1997
 Move In Rent, \$ 895.00
 Current Rent 1,605.00
Annual Average 4.9%

Rent Adjustment History

Date	Rent Adjustment	Rent, \$
7/1/1998	95.00	990.00
7/1/1999	50.00	1,040.00
7/1/2000	95.00	1,135.00
7/1/2001	140.00	1,275.00
7/1/2002 <i>Zero 3 years</i>	50.00	1,325.00
8/1/2006 <i>Zero 4 years</i>	35.00	1,360.00
8/1/2007	25.00	1,385.00
8/1/2008 <i>Zero 2 years</i>	35.00	1,420.00
5/1/2011 <i>Zero 3 years</i>	45.00	1,465.00
5/1/2012	45.00	1,510.00
5/1/2013	95.00	1,605.00

5 years Zero Increase

Move In Date 1/25/2003
 Move In Rent, \$ 1,450.00
 Current Rent 1,615.00
 Avg Rent Adjust 1.1%
 Rent Adjustment History

Date	Rent Adjustment	Rent, \$
3/1/2004	-55.00	1,395.00
8/1/2009	25.00	1,420.00
5/1/2011	45.00	1,465.00
5/1/2012	55.00	1,520.00
5/1/2013	95.00	1,615.00

MINUS year
 Rent reduced 2004
 5 zero

Move In Date 10/1/1994
 Move In Rent, \$ 825.00
 Current Rent 1,410.00
 Avg Annual Rent Adjustment History 3.7%

Date	Rent Adjustment	Rent, \$
7/1/1997	75.00	900.00
7/1/1998	30.00	930.00
7/1/1999	50.00	980.00
7/1/2000	50.00	1,030.00
7/1/2001	60.00	1,090.00
7/1/2002	35.00	1,125.00
8/1/2005	35.00	1,160.00
8/1/2006	30.00	1,190.00
8/1/2007	20.00	1,210.00
8/1/2008	25.00	1,235.00
8/1/2009	25.00	1,260.00
5/1/2012	55.00	1,315.00
5/1/2013	95.00	1,410.00

History of Increases.

5 Years Zero Increases.
 Year 2004 \$55⁰⁰ reduction
 8 Years Zero Increases

History of Increases

Yardi Enterprise Property Management - Yardi 2016 - Iface Charles - Yefim Pithasov
 File Edit Receivable Payable S/L Report Setup Add-Ins Window Help

Long Term Resident

2-C1

MARKED 1799

Rentals yr 2002 - 1258

Today 1625

12 year incr 367.00

= 2.43% increase annual

Charge

Account: 2035 (Account) Garden Court Apartments - 59

Charge Code: Rent Annual: 15,005.00 Base Rate (Subject to Interest)

Amount: 1,258.00 Period: 1,258.00

Tax Code: Tax Rate: 18.87

Hold

Posting Periods: 10/01/2002 - 07/31/2004

Date: 10/01/2002 10:59 AM 10/01/2002 10:59 AM

Post Code

Description

Save Cancel Print Delete

Expand/Collapse

Review 10/15/2014 10/20/14 3:03 PM

174 UNDR MKT

Years
 NO INC 2003, 2005, 2006, 2007
 2009, 2010, 2011, 2012
 No Increases

5

History of Successes

Yardi Financials Primavera Primavera - Yardi 2006 - Please Charrris - Yefim Pinkhasov

[-] [E] [X]

Long Term Residual

Charge

2159 Alice Dayon Whisire (court) Garden Court Apartments - 19

Tenant: 2159
 Charge Code: 06/01/2011 - 1159.00
 Amount: 1,175.00
 Tax Code: 03/01/2014 - 1495.00

Annual: 14,100.00
 Period: 1,175.00
 SubM: 17.63

Base Rule Subject to Interest

Hold: []
 Type: []
 Min: []
 Max: []

Detail: []
 % of rent: []
 % of rent: []

Expanding Params: 11/10/2007 - 10/31/2011

Post Code: []
 Description: []

CSI/Other Index: []
 Index: []
 Month: []
 Factor: []

Buttons: Save, Cancel, New, Delete

Expand/Collapse

2A
MAY 09
17 09
Moved In Nov 2007
Rent 1175
Today 1495
Increases 3.70 in 7 year
= 45.70 Annual = 3.9%
Residual

\$ 300 UNDER MARKET

NO INC Years
2008, 2009, 2010, 2012
NO Increases

8

Don't Overwhelm R.R.A.C.

To avoid unnecessarily overburdening the R.R.A.C. Board a Housing Provider will not be committed to appear before the Board provided rent adjustment records demonstrate as follows:

Since the beginning of the tenancy in this apartment; the average annual increase does NOT exceed five percent, and No annual increase exceeds 10%.

This coincides with A.R.C. position of having a trigger of "not to exceed 5%". However since in any cycle of multiple years, it is a fact that there are years where, because of the economy, no increases are possible, or only very low percentage increases are possible, it gives the flexibility of catching up but with a 10% lid.

See how it would work, see the attached.

John Sullivan 03/29/15

510-538-4898

How it would Work

Example A: Rent starts at \$1,600/month and increases 5% each year

<u>At Move-In</u>	<u>Increase</u>	<u>To</u>	<u>Total Year's Rent</u>	<u>%</u>
At Move-In	-----	\$1,600.00	\$19,200.00	
Year 1	\$80.00	\$1,680.00	\$20,160.00	5
Year 2	\$84.00	\$1,764.00	\$21,168.00	5
Year 3	\$88.00	\$1,852.00	\$22,224.00	5
Year 4	\$92.60	\$1,944.60	\$23,335.20	5
Year 5	\$97.23	\$2,041.83	\$24,501.96	5
Total:			\$130,589.16	

Example B: Rent starts at \$1,600/month and increases as the economy dictates (not more than 5% average annually and never more than 10%).

<u>At Move-In</u>	<u>Increase</u>	<u>To</u>	<u>Total Year's Rent</u>	<u>%</u>
At Move-In	-----	\$1,600.00	\$19,200.00	
Year 1	\$64.00	\$1,664.00	\$19,968.00	4
Year 2	\$83.20	\$1,747.20	\$20,966.40	5
Year 3	\$52.41	\$1,799.61	\$21,595.32	3
Year 4	\$89.98	\$1,889.59	\$22,675.08	5
Year 5	\$151.16	\$2,040.75	\$24,489.00	8
Total:			\$128,893.80	

Result

Example A: Tenant pays \$130,589.16

Example B: Tenant pays \$128,893.80

5% varying each year

Tenant saves \$1,695.36

How it would Work

Example C: Rent starts at \$2,000/month and increases 5% each year

<u>At Move-In</u>	<u>Increase</u>	<u>To</u>	<u>Total Year's Rent</u>	<u>%</u>
At Move-In	----	\$2,000.00	\$24,000.00	
Year 1	\$100.00	\$2,100.00	\$25,200.00	5
Year 2	\$105.00	\$2,205.00	\$26,460.00	5
Year 3	\$110.25	\$2,315.25	\$27,783.00	5
Year 4	\$115.76	\$2,431.01	\$29,172.12	5
Year 5	\$121.55	\$2,552.56	\$30,630.72	5
Total:			\$163,245.84	

Example D: Rent starts at \$2,000/month and increases as the economy dictates (not more than 5% average annually and never more than 10%).

<u>At Move-In</u>	<u>Increase</u>	<u>To</u>	<u>Total Year's Rent</u>	<u>%</u>
At Move-In	----	\$2,000.00	\$24,000.00	
Year 1	\$80.00	\$2,080.00	\$24,960.00	4
Year 2	\$62.40	\$2,142.40	\$25,708.80	3
Year 3	\$107.12	\$2,249.52	\$26,994.24	5
Year 4	\$112.47	\$2,361.99	\$28,343.88	5
Year 5	\$188.95	\$2,550.94	\$30,611.28	8
Total:			\$160,618.20	

Result

Example A: Tenant pays \$163,245.84

Example B: Tenant pays \$160,618.20

Tenant saves \$2,627.64

RENT INCREASES EXCEEDING 15%

Devastating to Tenants, to City and County Governments. Generally triggered by a sale of a property. Old longtime Owner perhaps allowed Rents to drop below Market.

New Buyers hit with County Tax Assessor raising taxes to match today's value. EXAMPLES:

- New Mortgage Interest – Old Owner property had no loans or very low loans.
- New City and County Transfer Taxes.

Obviously the New Owners can easily justify the increase.

So what can be done for the Tenants?

In Mediation the one factor that is always a relief to Tenants is EXTRA TIME.

Then Mandate double the Notice Time. 120 days in place of 60 days.

Tenants now have options. Sure of 4 months out old Rental Rates. Time to plan. Buy that house or Condo. Evaluate the Rental Market. Share the rent with someone else etc. Bottom line – there is time to plan.

HOW OFTEN DOES THIS HAPPEN?

Too often. We have cases in all jurisdictions.

Alameda:

- A) Remember the case that started this discussion.
- B) A more recent case where an 18% to 20% was put forward.

San Leandro:

Several *Explain*

Castro Valley:

Two weeks ago 50 unit complex SOLD. Rents well under Market. To justify Sale Price and to secure financing – increases varying 20% to 30% went to Tenants. The Alameda County Unincorporated Area Ordinance did not address these circumstances. Peer pressure now in progress

IMPORTANT: There are those who will want to dismiss this 120 Day Notice suggestion as being contrary to State Law(60 Day Notice). If the intent of a Mediation Ordinance is to protect tenants against "Extraordinary" increases then we must invoke "Extraordinary" measures, "Special Circumstances" etc.

Caution: Any Rent Mediation Ordinance that fails to address this very real scenario is simply shortchanging the tenants, leaving them unprotected.

CITY OF ALAMEDA Rent Review Advisory Committee

The Rent Review Advisory Committee (Committee) reviews complaints of significant rental increases, providing a neutral forum for renters and residential property owners to present their views. It evaluates increases, determines whether they are equitable, and, if not, attempts to mediate a resolution acceptable to all parties. The Committee meets the first Monday of the month.

The Committee was formed by motion of the City Council in November 1979 upon the recommendation of the Ad Hoc Rent Evaluation Committee. The Ad Hoc Committee was formed in response to citizens' complaints to the City Council regarding substantial rental increases. It is comprised of five volunteer members: two landlords, two renters, and one neutral homeowner. They are appointed for indeterminate terms by the Mayor.

To request review and mediation, the renter fills out a Rental Increase Complaint (RIC) form for submission to the Committee. This form is available on the Housing Authority website at www.alamedahsg.org. The front of the RIC asks for a history of the rents, a description of the size of the unit and amenities of the building; the reverse side is for complaints regarding maintenance. The owner is sent a copy of the form and a letter requesting attendance at the next meeting. The renter also receives written notice of the meeting. The Committee's process is voluntary; however, attendance by the property owner (or a representative with negotiating authority) is expected to enable the Committee to carry out its role as established by the City Council. Failure to participate in the meeting can result in referral to the Council and adverse publicity for the owner.

Staffing for the Committee is provided by the Housing Authority of the City of Alameda Housing and Community Development Division (510-747-4316). The staff answers questions from the public regarding rental increases, sends out complaint forms, takes minutes at the meetings, and drafts letters as requested by the Committee. Staff refers all owner/renter inquiries, not related to rental increases, to ECHO Housing (510-496-0496). ECHO Housing is a non-profit agency that provides unbiased advice and mediation services to renters and owners on their rights and responsibilities.

The Committee has had success in establishing communication between owners and renters, and in effecting compromises with regard to rent and maintenance. Through the voluntary cooperation of owners, the Committee has served as an effective alternative to rent control in the City of Alameda.

The City of Alameda does not tolerate discrimination or harassment on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, or sexual orientation.