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To: Debbie Potter, City of Alameda Community Development Director

From: Claudia Young, Rent & Community Programs Director

Date: July 15, 2016 Updated data March 16, 2017

Subject: Alameda Rent Program June 2016 Monthly Report

The Program Administrator submits this document as the <u>third</u> status report provided monthly under the service agreement with the City of Alameda regarding the Rent Stabilization Ordinance No. 3148.

#### Outreach

Staff focused on community outreach this month by attending local meetings and events to make announcements and share flyers about the new ordinance.

Staff continued to provide informational workshops:

- Weekly Thursday workshops for landlord and tenants; 1 monthly night workshop
- 3 specialized workshops for CIPs. These workshops will no longer be available as the information has been integrated into the regular informational workshops.
- Regular and specialized workshops in total had 59 registered and 38 in attendance

Outside of staff efforts, the East Bay Rental Housing Association June magazine featured an article about the new renting regulations under the ordinance. The Alameda Sun and the Alameda Journal also both printed articles about the new regulations and the City Council's decision not to impose a fee in July for the ordinance. After review, staff discovered there was misrepresentation of facts in all articles. Staff contacted the news sources and provided clarity about the misinformation.

Understanding the exempt status for units under the ordinance continues to be an area of confusion for tenants and landlords. Staff has seen a trend that single-family homeowners incorrectly perceive the "exempt status" to mean that single-family homes are exempt from all regulations of the ordinance. Staff works to clarify the meaning of "exempt status" and to communicate with local news channels in efforts to provide more accurate information.

Staff has developed a special noticing clinic to provide step-by-step, in-person information on State and City laws for proper noticing of rent increases and terminations, available late July 2016.

Over the last 3 months, staff has observed that tenants seem to have less awareness than landlords about Ordinance No. 3148. This observation comes from low attendance of tenants at informational workshops and a lower frequency of tenant contacts than landlord contacts. Staff has developed new outreach strategies for the coming month to address this discrepancy.

### **Rent Increases**

June saw almost a double in rent increase notice filings. Month total: 23

- Average rent increase offer: 16.7%
  - This average includes the different rates landlords offer for month-to-month tenancy vs. one-year leases. If only the lowest rent increase offers are averaged, the percentage drops to 12.0%.
- Staff communicated with tenants and landlords engaged in the RRAC process, on average, 6 times each before cases were dismissed or reviewed at RRAC hearing.
- Communication was frequent as staff continues to provide education and clarification between landlords and tenants on the following issues:
  - Landlord and tenant may negotiate on their own before the RRAC hearing.
  - RRAC is not a Rent Board or court of law.
  - RRAC does not operate to find who is right and who is wrong. Instead RRAC functions to mediate rental disputes.
  - RRAC members are not participating as advocates for landlords and tenants, but rather as neutral third-party facilitators.
  - RRAC process is public and supportive documents are optional, but may be used to reflect important information.

### RRAC case summary:

- 23 cases filed
- 13 cases dismissed before RRAC agenda was released (1 week prior to RRAC meeting)
- 8 cases on RRAC agenda
- 4 cases resolved before RRAC hearing on July 6
- 1 case received a RRAC recommendation of 0%-5% rent increase
- 3 case received a RRAC recommendation of 5.1 10% rent increase

City Council confirmed Milton Friedman as a new Rent Review Advisory Committee (RRAC) member to serve in the Homeowner position.

Several tenants contacted staff regarding invalid rent increase notices. After reviewing the notices, staff contacted tenant and landlord to explain the reason the notice was deficient. Several landlords have been non-responsive to staff's efforts to clarify the new noticing requirements.

# <u>Terminations of Tenancy</u>

June notice filings: 5

- 5 valid notices
- 0 invalid notice
- Staff had less involvement with termination notices than previous months because the notices and forms were filed in compliance.
- Staff found that many landlords did not have clarity on the amount of relocation assistance owed. Notably, there was confusion over rounding. Staff explained a tenant is entitled to a full month's rent of relocation assistance for a portion of a year. For example, if the tenant has lived in the unit for 1 year and 3 months, the tenant is entitled to 2 months of relocation assistance plus \$1,500.

### Capital Improvement Plans (CIP)

June CIP filings: 1

• Status: Denied

Improvements did not qualify under the definition of Capital Improvements set forth in the resolution.

Previous CIP filings: 1

• Status: Pending

Application is missing required supportive documents. Applicant is gathering information for submission.

## **Program Administration**

- General phone and email inquiries have reduced in time, generally calls now last 10 30 minutes.
- Staff is working with a consultant to make all required forms available by online submission.
- Fee Study report, which went before City Council on June 21, 2016, required staff gather accurate data about the current process and procedures for program administration.
- In light of renters' initiative confirmation for the November ballot, moving forward staff
  anticipates an influx in rent increase and termination filings for the next few months. A
  temporary program assistant will be brought on board to assist with increases in call volume
  and outreach efforts.

#### <u>Staffing</u>

- Staffing for the monthly of June:
  - 1 Director at 80% time
  - 1 Specialist at 100% time
  - 1 Specialist at 75% time

# Rent Program Data

June 2016

#### **Number of Public Contacts**

	Year-to-June 30
Unduplicated	396
Duplicated	983

## **Rent Increases**

#### **Rent increase notices**

		June Non-exempt units Exempt units		May	April	Q1	
At or belo	ow 5%					0	
5.	1-10%	3	6	4	1	14	
Above	e 10%	4	1	1	2	8	
Dual option: 12 mth offer signif	ficantly	9		7	6	22	
less than MTM offer	Total	23		12	9	44	

Average June rent increase offer: 16.7%

# **Cancellation of RRAC hearing**

		June		Mov	April	Q1	
		Non-exempt units	May	April	Q1		
	At or below 5%	1		1	1	3	
Agreement / reached	5.1-10%	3	6	6	5	20	
	Above 10%	4	1	1		6	
	Withdrawn	2		1	1	4	
	Postponed				1	1	
Tenant deci	ided to move-out	2		2		4	
	Total	19		11	8	38	-

#### **RRAC** hearing outcomes

		June Non-exempt units	May	April	Q1
	At or below 5%				,
Agreement	5.1-10%		1	1	2
	Above 10%				
No agreement:	At or below 5%	1			1
RRAC	₹ 5.1-10%	3			3
recommendation	Above 10%				
	Total	4	1	1	6

#### Petitions & appeals

	<b>June</b> Non-exempt units Exempt units	May	April	Q1
Petition for Hearing Officer Appeal to City Council				
Total	0	0	0	0

## **Terminations of tenancy**

#### Valid termination notices for no fault

	June	May	April	Q1
No Cause	2	1	1	4
Owner Move-In	3	1	1	5
Demolition				
Capital Improvement Plan Withdrawal from the rental Market Compliance with a govermental order		1	1	2
Total	5	3	3	11

# **Capital Improvement Plans**

# **Applications for CIP**

	June	May	April	Q1
Approved				
Pending		1		1
Denied	1		1	2
Total	1	1	1	3

# JUNE **Outreach Activities**

\*Webster Street Fair, 6/19 - handed information flyers

\*Rotary lunch, 6/28 - made announcement and provided handouts

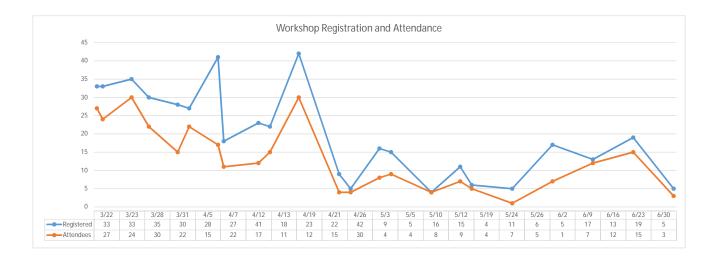
\*City Council, 6/21 - made announcement and provided handouts

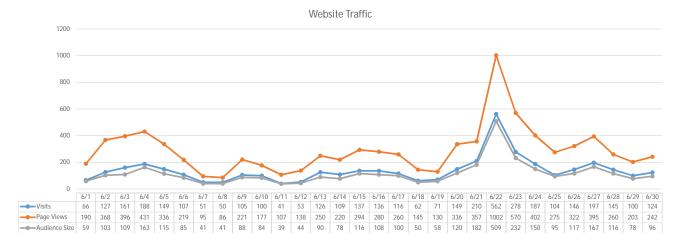
\*Alameda Services Collaborative, 6/22- made announcement and provided handouts

\*Google AdWords - online advertising \*Weekly spot in Alameda Association of Realtors newsletter

\* Staff developed FAQ and Fact Sheet for CIP Resolution

<sup>\*</sup> Exempt units are exempt from a binding decision regarding the amount of the rent increase







Google Ads

