



## FACT SHEET

### The Rent Stabilization Act (the City's Ordinance)

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### The Alameda Renter Protection and Community Stabilization Charter Amendment (the Alameda Renter's Coalition Initiative)

#### **BACKGROUND**

##### ***CITY ORDINANCE***

- In 1979, the City created the Rent Review Advisory Committee (RRAC), which mediates rent increase disputes.
- On November 5, 2015, the Alameda City Council adopted a temporary moratorium on rent increases of 8% or more and any action to terminate a tenancy except for "just cause".
- In March 2016, the City Council adopted the Rent Review, Rent Stabilization and Limitations on Evictions Ordinance, to stabilize rents and limit the grounds for terminating tenancies.
- On August 9, 2016, the City Council submitted to voters a confirmation of this ordinance, on the November ballot as Measure L1.

##### ***RENTERS INITIATIVE***

- The Alameda Renters Coalition (ARC) was organized to advocate for protections to stabilize the community and keep Alamedans in their homes.
- After the City Ordinance was adopted, ARC began collecting signatures to a petition that would add a rent control measure to the November 8 ballot.
- ARC submitted 7,882 signatures to the Alameda City Clerk. The signatures were verified by the Alameda County Registrar of Voters to be more than the 15% of registered voters required to place a measure on the ballot.
- In July 2016, the City Council placed the initiative on the November ballot as Measure M1.

#### **HIGHLIGHTS**

##### ***CITY ORDINANCE***

- No annual rent increase cap; limits rent increases to once annually
- Requires mediation for all residential rent increases above 5%
- Binding decisions on allowable rent increase amounts for most residential units
- Restricts reasons for evictions
- Requires landlords to pay relocation fees when terminating certain tenancies
- Permits City Council to amend the Ordinance to address changing concerns and conditions

##### ***RENTERS INITIATIVE***

- Charter Amendment can only be amended by vote of the people
- Limits annual residential rent increases to 65% of the CPI
- Creates an elected rent control board separate from the City with authority to hire staff, imposes fees on landlords for program funding, and assess penalties
- Limits the reasons for terminating tenancies
- Requires rental property owners to pay relocation fees to tenants when terminating certain tenancies

## Rent Stabilization Measure Comparisons

	<b>L1: City Ordinance</b>	<b>M1: Renters Charter Amendment</b>
<b>Base Rent</b>	<ul style="list-style-type: none"> <li>Does not establish a base rent</li> </ul>	<ul style="list-style-type: none"> <li>Rents are “rolled back” to May 5, 2015 rent levels</li> </ul>
<b>Annual Rent Increases</b>	<ul style="list-style-type: none"> <li>Rent increases are limited to once a year with no cap on the annual rent increase; landlords who increase rents by more than 5% are required to have the RRAC review the matter</li> <li>For most units, the RRAC decision is binding (single-family homes are advisory only)</li> </ul>	<ul style="list-style-type: none"> <li>The annual allowable rent increase is limited to 65% of the Consumer Price Index (this formula would allow for a 1.7% increase this year).</li> <li>Both landlords and tenants may petition to a hearing examiner to have rents adjusted upwards or downwards</li> </ul>
<b>Mediation Services</b>	<ul style="list-style-type: none"> <li>Provides mediation between tenants and landlords</li> <li>86% of rent increases filed are resolved before mediation</li> </ul>	<ul style="list-style-type: none"> <li>Does not mediate differences between landlords and tenants</li> </ul>
<b>Eviction Restrictions</b>	<ul style="list-style-type: none"> <li>Permits “no cause” evictions but limits the number of units, and rent for the next tenant is limited to a 5% increase, discouraging landlords from evicting tenants to increase rents</li> <li>Permits “for cause” and “no fault” evictions (ex: owner move in, substantial rehabilitation, withdrawal of unit from rental market)</li> </ul>	<ul style="list-style-type: none"> <li>Prohibits all “no cause” evictions</li> <li>Permits “for cause” and “no fault” evictions (owner move in, when necessary to bring property into compliance with codes affecting health and safety, withdrawal of unit from rental market)</li> </ul>
<b>Relocation Fees for Evicted Tenants</b>	<ul style="list-style-type: none"> <li>Up to four month’s rent plus \$1,500 in moving expenses (one month’s rent for each year, or portion thereof, that a tenant has rented the unit, up to four months’ rent)</li> <li>In some cases, tenant may “trade” dollars for more time in the unit</li> </ul>	<ul style="list-style-type: none"> <li>\$7,300 if tenant has rented the unit 3 years or fewer, or \$15,000 if tenant is disabled, 62+ or has a child under 18</li> <li>\$9,650 if tenant has rented the unit more than 3 years, or \$18,300 if tenant is disabled, 62+ or has a child under 18 adjusted for CPI</li> </ul>
<b>Effect on Existing Ordinance</b>	<ul style="list-style-type: none"> <li>Keeps existing protections in place</li> <li>City Council may amend or repeal</li> </ul>	<ul style="list-style-type: none"> <li>Replaces and repeals City Ordinance</li> <li>Can only be amended or repealed by voters in an election</li> </ul>
<b>Administration</b>	<ul style="list-style-type: none"> <li>Keeps the City’s rent program in place which operates with up to 6 FTE (estimated cost \$1.9 million)</li> <li>City Council has oversight and a Program Administrator runs the day-to-day operation</li> <li>City Council establishes rules, regulations and policies to implement the program</li> </ul>	<ul style="list-style-type: none"> <li>Creates an elected Rent Control Board</li> <li>The Board has sole responsibility to employ attorneys, lobbyists, and adopt an annual budget that includes personnel costs for an Executive Director and staff to run the program (estimated cost \$3.3 million*)</li> <li>Board is autonomous from City governance</li> </ul>

*\*Does not include the cost of the first election for the Rent Board, estimated at \$350,000-\$500,000.*